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Bosnia-Hercegovina

In an interview with Belgrade TV, Radovan Karadzic, president of the Serbian Republic of Bosnia-Hercegovina, responded to the claims that he is willing to make territorial concessions to the Muslims. He said: "There is not one grain of truth in this. This is only one in a string of propaganda lies."

Yugoslavia

Federal—TANJUG reports that after being notified by Radovan Karadzic, president of the Serbian Republic of Bosnia-Hercegovina, that Serbian authorities had arrested 70 members of "paramilitary forces," Prime Minister Milan Panic said: "This was the first concrete step taken to halt the conflict in this war zone."

Bulgaria

Russian President Boris Yeltsin made an "official visit" 3-4 August, BTA reports. During the visit, Yeltsin and President Zhelyu Zhelev signed a treaty on friendly relations and cooperation, and the Russian and Bulgarian defense ministers signed an agreement on cooperation between their ministries. Commenting on the treaty on friendly relations and cooperation, Yeltsin said: "Today, by signing the treaty, we have placed our relations on a new and strong legal foundation," Sofia radio reports.

Czechoslovakia

CSTK reports that on 29 July, the Slovak National Council Presidium agreed on the organization of four commissions—economy, defense, foreign affairs, and social policy—to deal with cooperation between the Czech and Slovak Republics. There will also be a coordinating commission consisting of 13 members and headed by Slovak National Council Deputy Chairman Augustin Marian Huska.

Croatia

Commenting on the 2 August general elections, Dobroslav Paraga, chairman of the Croatian Party of Rights, HSP, said: "These elections were unacceptable to the HSP because they were rigged," Zagreb radio reports. Serbian National Party representatives stated: "The system of electing parliamentary deputies has placed the Serb national community in an unequal position in comparison with other national communities in Croatia."

Romania

A final round of talks between the representatives of 57 political parties that do not hold any seats in Parliament took place at the headquarters of the Free Democratic Party on 3 August, ROMPRES reports. The meeting concluded with the formation of a new political "opposition" party called "The Alliance for National Dignity."

Electoral Commission Reports Preliminary Results

AU0308155092 Tirana Radio Tirana Network in Albanian 1330 GMT 3 Aug 92

[Statement by Bexhet Agolli, Central Electoral Commission member; place and date not given—recorded]

[Text] The most recent reports received by the Central Electoral commission are as follows: The Democratic Party [PD] candidates won in Rrogozhine Municipality, Kavaje District, and in Kampe and Petrel Communes, Tirana District. The Socialist Party [PSSh] candidates won in Vora and Pashkuqani Communes, Tirana District. In Shen Koll Commune, Lezhe District, the PD candidate won. In [word indistinct] Commune, Kruje District, the PD candidate won. The PSSh candidate won in Sheje Commune, Peqin District.

We will keep in touch with radio and television and report the final results from other municipalities and communes as we receive them.

Further Results Announced

AU0408091792 Tirana Radio Tirana Network in Albanian 1730 GMT 3 Aug 92

[Statement by Bexhet Agolli, Central Electoral Commission member; place and date not given—recorded]

[Text] After the reports we gave at 1530, we have received some new ones. They are as follows:

In Baldushk Commune, the PD candidate won. In Zallter Commune, the PD candidate won. In Gjergj Commune, Elbasan District, the PD candidate won. In Prese Commune, Tirana District, the PD candidate won. In Pucine Commune, Pogradec District, the PD candidate won. In Dardhe Commune, Pogradec District, the PSSh candidate won. In Pradashese Commune, Elbasan District, the PD candidate won. In [word indistinct], Shkoder District, the PD candidate won. In Veliboje, Shkoder District, the PD candidate won. In Kruje and Fushe Kruje, the PD candidate won. In Lat Commune, Shkoder District, the PD candidate won. In [word indistinct] Commune, Kruje District, the PSSh candidate won. In Udenisht Commune, Pogradec District, the PD candidate won. In Nikel Commune, Kruje District, the PSSh candidate won. In Kolsh Commune, Lezhe District, the PD candidate won. In Rrap Commune, Elbasan District, the PD candidate won. In Gracien Commune, Elbasan District, the PSSh candidate won. In Labinot Fushe Commune, Elbasan District, the independent candidate won.

We have also received two more reports from the electoral commissions of the municipalities. In Pogradec Municipality, the PD candidate won. In Koplik Municipality, Shkoder District, the PSSh candidate won.

Macedonian Frontier Guards Kill Albanian Citizen

AU0408082192 Tirana Radio Tirana Network in Albanian 1330 GMT 3 Aug 92

[Text] Macedonian border guards killed the Albanian citizen, Metush Sali Tafxhiu, at the border marker area E13, 100 meters inside the Macedonian border, on 1 August at 1730. This deliberate killing is the seventh such occurrence in the past six months. During this same period, the Macedonian frontier guards have wounded 10 Albanian citizens with fire arms. The Macedonian police and frontier guards have also beaten numerous Albanian citizens.

The Public Order Minister Mr. Bashkim Kopliku, and the defense minister, Mr. Safet Zhulali, demanded an extraordinary meeting with the Macedonian government of high-ranking officials at the border post of [word indistinct].

The high-ranking officials of the public order and defense ministries of both countries organized a meeting of frontier commissions at this border post on 2 August at 1300. Mr. Agim Shehu, a high-ranking Albanian official made a strong protest against terrorist actions that the Macedonian authorities have committed on Albanian citizens. These actions run counter to the norms of international human rights, to the relations we have achieved so far, and to the spirit of cooperation and good-neighborliness we have created between our two countries.

More than 500 inhabitants of the villages (?Kovqisht) and Maqallar gathered in front of the building where the talks were being held, and with indignation expressed their protest against the criminal acts. The peasants insisted that their representatives should read a protest petition. In the meantime, both sides agreed to appear together in the media with a statement that the Macedonian side acknowledges both the seriousness of this incident and their obligation to find a solution.

Metush Sali Tafxhiu was buried in the presence of 1,000 inhabitants of Maqallar and (?Kovqisht) on 2 August at 1600. For the sake of the victim, the inhabitants of Diber e Madhe from Macedonia sent their grand mufti [muslim leader] as a sign of revolt and protest.

The protocol of this event will end at the meeting of high-ranking officials on 6 August in the town of [word indistinct]. This is all from Peshkopi.

Russian President Arrives for Official Visit

AU0308165692 Sofia BTA in English 1655 GMT 3 Aug 92

[Excerpt] Sofia, August 3 (BTA)—Russian President Boris Yeltsin arrived here tonight on an official visit. The purpose of the visit is the signing of a bilateral treaty "for friendly relations and cooperation" between Bulgaria and Russia. The Russian delegation includes Deputy Premier Viktor Chernomirdin, Foreign Minister Andrey Kozyrev, Defence Minister Pavel Grachov and Minister of Industry Aleksandr Titkin. [passage omitted]

Zhelev, Yeltsin Agree Treaty Overdue

AU0308185092 Sofia Television Service in Bulgarian 1700 GMT 3 Aug 92

[Text] Good evening, dear viewers. Naturally, I begin with the event that will be the focus of our attention today and tomorrow—Russian President Boris Yeltsin's visit to Sofia. Yeltsin's airplane landed a few minutes ago, and we switch to our colleague, Milutinova, at Sofia airport. Do you hear me, colleague Milutinova?

[Milutinova] Good evening from Sofia airport. A short while ago the Russian and Bulgarian delegations headed for Boyana Residence for the first talks prior to signing the bilateral treaty. Asked whether or not the treaty should have been signed long ago, President Zhelev and President Yeltsin were unanimous in their assessment that this really should have already happened and that both sides are to blame for the delay.

In any event, it is a fact that Russia is signing a bilateral treaty with Bulgaria only after it has already signed such treaties with Czechoslovakia, before its disintegration; Poland; Hungary; and even Romania. It is a fact that Bulgaria is the last one to sign a bilateral treaty. Let us hope that we will not be the last in getting to the Russian market.

We addressed a special question to President Yeltsin, asking whether he intends to visit Bulgarian stores as he did in 1986 when he visited as first secretary of the CPSU Moscow City Committee. Mr. Yeltsin said that by all means, he will do this tomorrow. He recalled that in 1986 he asked the sales clerks about their wages and calculated that they were hardly sufficient. Thus, tomorrow he intends to check again on how Bulgarians are making ends meet. With this, we end our report from Sofia airport. Good evening.

Comment on Relations

AU0308193092 Sofia Khorizont Radio Network in Bulgarian 1900 GMT 3 Aug 92

[Text] As you know, Russian President Boris Yeltsin arrived today on an official visit at the invitation of President Zhelyu Zhelev.

In a statement for Bulgarian radio given to our colleague Valeri Todorov, Yeltsin noted that the Bulgarian-Russian treaty that will be signed will create a legal basis for developing relations in all areas—political, cultural, and economic.

In connection with the problems in Bulgarian-Russian relations and the draft treaty, Yeltsin said that it could hardly be expected for everything to be settled immediately. New problems could also emerge, but the present visit will help compensate for the delay in developing relations.

Yeltsin stressed that his personal relationship with Zhelev is a positive factor.

For his part, Zhelev said that Bulgarian relations were injured and distorted in the former communist empire. I think that time is helping to clean up all of this, and we are establishing normal relations between countries that have ancient cultural-historical ties, Zhelev said.

The first talks are taking place tonight between Yeltsin and Zhelev alone. Yeltsin's visit will end tomorrow afternoon. There will be a news conference prior to his departure.

Yeltsin Meets With People, Begins Official Talks

AU0408083292 Sofia Khorizont Radio Network in Bulgarian 0800 GMT 4 Aug 92

[Text] The second day of Russian President Boris Yeltsin's official visit began with him laying a wreath at the Memorial to the Unknown Soldier in Sofia.

At an unscheduled meeting with citizens, he assessed President Zhelev's personal qualities. I cannot assess him as a politician, Boris Yeltsin stated, but as a man, he is very fine. Regarding the forthcoming signing of the treaty of friendship and cooperation between Bulgaria and Russia, it was stressed that the signing of the treaty in Sofia serves as further proof of the disintegration of the imperial policy.

An hour ago, Bulgarian-Russian talks began in Boyana Residence. President Zhelyu Zhelev, Prime Minister Filip Dimitrov, Foreign Minister Stoyan Ganev, deputy prime ministers, ministers, and other officials are taking part in the talks on the Bulgarian side.

Following the talks, the Bulgarian-Russian treaty on friendship and cooperation will be signed. In addition to political, economic, and cultural cooperation, the treaty also provides for cooperation and consultations in the event of the appearance of situations that present a danger to peace. The two sides assume an obligation not to use their territories for acts of armed aggression.

Ganev, Kozyrev Discuss Yugoslavia

AU0308193492 Sofia Khorizont Radio Network in Bulgarian 1900 GMT 3 Aug 92

[Text] Stoyan Ganev and Andrey Kozyrev discussed topical international issues on 3 August at Boyana Residence. Kozyrev expressed interest, first of all, in the visit by Serbian Prime Minister Panic.

Ganev stressed that the Bulgarian Foreign Ministry has no opinion [otnoshenie] on the visit. This was reported by Veneta Momcheva, Ministry of Foreign Affairs spokesman.

Ganev stressed that he would very much like to believe in Panic's sincerity in wishing to facilitate a peaceful solution of the Yugoslav crisis, but I cannot reconcile such a monstrous crime as the Serbs using snipers against a children's bus and the words concerning peace addressed to our prime minister. It is not such visits, but rather the solidarity and action of the international community that could and should stop this unprecedented and barbarous war.

To Meet in 'Late August'

AU0408063492 Sofia BTA in English 2025 GMT 4 Aug 92

[Excerpts] Sofia, August 3 (BTA)—Foreign Ministers Stoyan Ganev of Bulgaria and Andrey Kozyrev of Russia held a meeting here this evening. Mr. Kozyrev is a member of the Russian delegation led by President Yeltsin. [passage omitted]

Mr. Ganev stressed that Bulgaria has not altered its stand and will continue to strictly observe the sanctions imposed by the UN Security Council.

The foreign ministers of Bulgaria and Russia discussed the forthcoming session of the UN General Assembly which will probably be chaired by Mr. Ganev. It will be an especially important and difficult session due to the acute crisis in former Yugoslavia, Mr. Ganev said. The UN General Assembly and the United Nations itself should become effective tools in settling an preventing crises, he stressed. The Bulgarian foreign minister emphasized the need for preliminary consultations.

The foreign ministers of Bulgaria and Russia agreed on holding bilateral consultations in late August.

Ganev Clarifies Statement

AU0408125092 Sofia BTA in English 1223 GMT 4 Aug 92

[Text] Sofia, August 4 (BTA)—Asked to clarify a statement made at the talks with Russian Foreign Minister Andrey Kozyrev that the Bulgarian Foreign Ministry had nothing to do with the visit to Sofia of Yugoslav Prime Minister Milan Panic, Bulgarian Foreign Minister Stoyan Ganev told BTA: "This means that the Bulgarian foreign minister has nothing to do with the visit. I don't think there is anything surprising about that. It was a private and unofficial visit. In any case, it did not commit the government or the Foreign Ministry. There was a discussion between Prime Ministers Filip Dimitrov and Milan Panic, without further implications for the state and its institutions."

Zhelev, Yeltsin Sign Friendship, Cooperation Treaty

AU0408110292 Sofia BTA in English 1028 GMT 4 Aug 92

[Text] Sofia, August 4 (BTA)—Presidents Zhelyu Zhelev of Bulgaria and Boris Yeltsin of Russia signed a Treaty for Friendly Relations and Cooperation Between the Republic of Bulgaria and the Russian Federation. The treaty will regulate bilateral relations over the next ten years.

Proceeding from their traditionally friendly relations and their desire to help build a new Europe the sides agreed to develop their relations in a spirit of cooperation, trust and mutual respect. They will observe the principle of free choice by states in the progress of their political, social and cultural development. The sides commit themselves to seek peaceful settlement of disputes and not to admit the use of their territories for launching attacks or other forcible actions against the other side.

A clause in the treaty envisages consultations at times of crisis in international relations, especially in Europe and the Black Sea region.

The document provides for the promotion of bilateral relations in all spheres of mutual interest. It envisages cooperation between the parliaments and other governing bodies at all levels. Under the treaty Bulgaria and Russia will seek to create favorable business, financial and legal conditions for economic activities, including mutual investment protection and encouragement.

A separate agreement will regulate military cooperation. The signatories will exchange information and cooperate in the conversion of the military industry. The treaty envisages the creation of conditions and the conclusion of additional agreements on the protection and promotion of the national culture of Bulgarians living in Russia and the citizens of the Russian Federation living in Bulgaria.

Zhelev Addresses News Conference

AU0408111692 Sofia Khorizont Radio Network in Bulgarian 0843 GMT 4 Aug 92

[Opening statement by Bulgarian President Zhelyu Zhelev at a joint news conference with Russian President Boris Yeltsin in Sofia—live]

[Text] Mr. President, esteemed Russian guests, esteemed Bulgarian colleagues, esteemed journalists: The signing of the Bulgarian-Russian treaty is an historic event

because it marks the end of an era in relations between the two countries and the beginning of another era. The historic nature of the event is also underlined by the fact that for the first time, the two countries are signing an equal treaty—a treaty between sovereign and independent states. This is the first time that the Russian president has come to an East European country to sign such a treaty. [words indistinct]

The treaty reveals new possibilities for cooperation between the two countries in all areas of social life—the economy, politics, culture—and even in the military sphere—I mean military-technical cooperation. Subsequently, on the basis of this treaty, a number of other agreements will be signed, such as agreements on eliminating double taxation, on protecting investments in the two countries, on new transportation links between Bulgaria and Russia because the old transportation system has become obsolete, and on a new trade agreement, and many other agreements and contracts that will be of exceptional importance for the two countries.

I would not like to take more of your time. I think that time will show the importance of the agreement we have signed. I give the floor to Russian President Boris Yeltsin.

Yeltsin Speaks

AU0408115292 Sofia Khorizont Radio Network in Bulgarian 0843 GMT 4 Aug 92

[Opening statement by Russian President Boris Yeltsin at a joint news conference with Bulgarian President Zhelyu Zhelev in Sofia—live, in Russian with simultaneous translation into Bulgarian]

[Text] Esteemed Mr. President, Ladies and Gentlemen: I and the delegation of the Russian Federation attach great importance to the treaty we have signed today. Unfortunately, it took Russia an entire year to achieve its independence from the USSR. [passage indistinct]

During the preparation of this treaty there were disagreements and differences of opinion. This was absolutely normal, but that is why the presidents had to meet and sign the treaty after it had been coordinated by all the ministries and participating departments of the two governments.

Today, by signing the treaty, we have placed our relations on a new and strong legal foundation. This is different from what relations used to be between the former USSR and Bulgaria. Thank God! [laughter] This is a treaty between equal and independent states; therefore, our relations are now based on a new foundation. Of course, this does not mean that all the positive things that existed in the past in the life of our peoples have now been rejected. No, by no means! Naturally, we will continue all the beneficial and purposeful factors. We will not rely on any ideology, however, but on common sense.

At the present time, a treaty such as this largely personifies the existence of common sense in relations between two peoples and two states. We must fully revise the agreements that were signed between the former USSR and Bulgaria, and decide what should be left as it is, what should be amended, and what should be rejected. Some agreements must be updated. This is clear. Now we are very open. Russia is a civilized democratic state, open to all. Now we have no secrets, especially for such friends as the Bulgarian people.

I personally highly value personal contacts between state leaders. This is the fourth time I have met with the esteemed President Zhelev. We met first in Moscow, later in Istanbul, then in Helsinki, and now in Sofia. I think that such personal diplomacy and contacts between presidents gives a great boost to relations between governments, parliaments, and so forth. Those meetings also lend momentum to the process of developing our new relations in accordance with the treaty we signed.

This treaty is the beginning of a great new process. New agreements will be signed in the future. Some have already been prepared, and others will be prepared between the defense ministries and between other ministries. We are creating a Bulgarian-Russian commission that will monitor implementation of the treaty we signed today and the other agreements that were signed or will be signed in the future. For our part, the commission will be headed by our minister of industry, Aleksandr Titkin, who is a member of the delegation.

The issue of our financial relations is a very important one. There are certain problems in this field. Today at the talks we came closer on how to resolve this problem. Yes, we will resolve it.

Yes, there were problems in the sphere of oil deliveries to Bulgaria. For us, this is very difficult and complicated. Russia is going through a difficult period. We are carrying out economic reforms, and the current year is a very difficult one. Nevertheless, the relations we have—and which we again agreed upon today—also encompass this field. Our deputy premier, V. Chernomyrdin, who is a member of the delegation, is an oil specialist. He confirmed that the delivery of oil and gas to Bulgaria will resume today.

I would like to stress that today, after the ceremony at the grave of the unknown soldier, I met people on the streets. These were not staged meetings as in the past—organized groups of people every 50 or 100 meters. Thank God, this is behind us. Therefore, the people are much more sincere and open today. They went into the streets to meet the Russian president. As President Zhelev said, this is my first visit to an East European country as Russian president. The mood of the people is not bad. I would say that it is better than the mood in Russia. Naturally, this does not mean that the people are overly optimistic or that you do not have any problems. Of course you have problems, but, as the saying goes,

those are your problems and you will have to cope with them yourselves. The most important thing is that Russia should not hinder you from resolving your problems; on the contrary, it should cooperate in achieving mutual understanding in the international arena and coordinate the resolution of problems. [indistinct passage]

Presidents Answer Reporters' Questions

AU0408115192 Sofia Khorizont Radio Network in Bulgarian 0902 GMT 4 Aug 92

[Question-and-answer session at joint news conference by President Zhelyu Zhelev and Russian President Boris Yeltsin with foreign and domestic journalists in Sofia—live, Yeltsin's answers and Russian journalists' questions in Russian with simultaneous translation into Bulgarian]

[Text] [Moderator] Ladies and gentleman, you are now invited to ask the two presidents questions.

[Aleksandr Stepanenko, ITAR-TASS] My question is for Mr. Yeltsin. Boris Nikolayevich, can present relations between Bulgaria and Russia be based on friendship, or is it a question of mutually advantageous cooperation? What prospects are opening up for cooperation between Bulgaria and Russia during the processes of democratization in the two countries?

[Yeltsin] I would not consider that it is a matter of terminology. Friendship is a human dimension, and the fact that our peoples enjoy friendship is not something that happened this morning. There are many hundreds of citizens in Bulgaria and Sofia, I would say, among whom I have found friends that I have known for 20, 30, or 40 years. We have embraced one another. This is the point from which friendship starts. It is not a political dimension, it is a human dimension, and we must value this, value what we have already collected, preserve it, and of course, add to it. There are many untapped reserves.

From the viewpoint of reforms, we have, of course, certain differences in our approaches to these reforms, and there is nothing terrible in this. Formerly, everything was done according to plan; what Moscow said was done in Sofia, Budapest, Bucharest, and so on. That time has passed. Every country is finding its own civilized path. There are many common points in the reforms, and I believe our treaty and our economic agreement will help the reforms in Russia.

Bulgaria is a rich country. It possesses many talents, and it has superb climatic conditions, you can see for yourself. From the viewpoint of foreign trade activities, Bulgaria is third in importance for Russia, including the United States and Japan. Imagine that—Bulgaria holds the third position. For Bulgaria, however, Russia holds first place. This is what is important. We should not lose this, but count on expanding this activity. Of course, foreign economic and scientific research activities will play a very big role in benefiting reform in both countries. It is true that the reform in Russia is proceeding with great difficulty; nonetheless, it is advancing. Can I have a question from the Bulgarian side, please?

[Lev Kokushkin, DEMOKRATSIYA] Boris Nikolayevich, early this morning the mass media announced that the Moldovan president asked the United Nations to send in blue helmets. The situation in this republic, where many Bulgarians live, is very serious. You signed an agreement. Does this mean that you are a guarantor not only of the Russian population in the Transdniester region, but also of the Bulgarian population? Thank you.

[Yeltsin] I believe Russia has played its role, and it should play such a role, in halting the military confrontation and conflict between Georgia and Ossetia, as well as in the Transdniester region in Moldova. Yes, we signed an agreement with Shevardnadze and the agreement is being observed. We also signed an agreement with Snegur, and it is now beginning to be fulfilled. At the same time we, and I personally, appealed to the United Nations, as well as to Mr. Butrus-Ghali, asking for the United Nations to render assistance, especially in Nagorno-Karabakh. I directed an appeal to Helsinki, and as you know, Mr. Zhelev did the same. We believe every state that can should help in resolving the conflict—this is not a political question, but a human issue. When blood is being shed, one cannot remain indifferent to it, wherever it may be—on one's own territory, in one's own country, or near one's country. No, one cannot; I say again, no. If a conflict exists—of course, one should try to avoid a conflict—but if a conflict has already appeared, we must take all measures to avert it. If Bulgaria wants to take part, I invite it to do so. We have not rejected this. We did not eliminate this possibility for anyone. If you want, you are welcome to help. Snegur and I are fulfilling our obligations. Our common geopolitical approach is for the integrity of the Moldovan state. Very well, parliament may determine some kind of status for the Transdniester region. That is their business, not ours—what status they determine—but it must be based on international rules, on agreement, on Helsinki. They have rights as a nation, but internally, within Moldova.

It is the same with South Ossetia, within Georgia. What is the idea of a republic. We have many republics, and they should remain in Russia, but the integrity of the state must be ensured.

[Reporter] Sergey Medvedev, from the "Conclusions" program.

[Translator] Unfortunately, there is no sound coming from the microphone at the moment. It is probably disconnected. [pause] Ladies and gentleman, I cannot tell you what the question is because the microphone....

[Unidentified speaker, interrupting] Please take the microphone. The question will be repeated.

[Yeltsin] We discussed the issue yesterday, and today we returned to it, together with the president and the two delegations.

[Interpreter, interposing] Unfortunately, we do not know what the issue was.

[Yeltsin] I am absolutely firm in declaring that there will be no problems. There are no problems. [Yeltsin speaks in Bulgarian] I will give Bulgaria as much as it needs. It is only necessary to state the amount. I will give everything.

[Interpreter, interposing] The issue probably concerns petroleum.

[Yeltsin] Bulgaria herself will decide her military questions on her own, however. The two defense ministries have already prepared an agreement, and it may even be signed today. Yes, Defense Minister Grachev tells me so. [to Grachev] Stand up so that the whole world can see you! [pause]

As far as I have heard, we will not deliver equipment of types that are not already in Bulgaria; that is, we will carry out what Bulgaria wants, no more and no less.

[Interpreter] The question evidently concerned relations between the defense ministries.

[Reporter] Milkova, from the NACHALO newspaper. Mr. Yeltsin, one of the features marking the democratization of the former socialist countries is decommunization. As far as we know, a court case has begun in Russia. What is your opinion on this issue?

[Yeltsin] Thank you. You were correct in saying that Russia has started to do this. Decommunization has indeed started, and at the moment, a court case is in progress. I believe that the court will issue an objective, fair decision with regard to the former CPSU. As to the question of how these trials take place in Bulgaria, that is the business of Bulgaria. We are not involved, and will not interfere.

[Unidentified reporter] Boris Nikolayevich, how do you think the bilateral treaty will affect the relations of other CIS republics with Bulgaria? Will the other republics not be put at a disadvantage by these bilateral relations between Bulgaria and Russia?

[Yeltsin] As you know, the bilateral treaties that Russia has signed with CIS republics—the last one was with Turkmenistan—contain a special clause to the effect that the treaty must in no way act to the detriment of a third country. That is the answer to your question. It must not damage anyone. Russia does not want unilateral profit; our imperial desires are a thing of the distant past—we are almost completely cured of them. For this reason, this treaty proves that our bilateral relations have the character of mutual benefit that they do not enter into competition with the treaties signed with other states.

[Zhelev] I would like to add that the Republic of Bulgaria is also preparing to conclude similar treaties with Ukraine, Byelarus, and Kazakhstan, which also demonstrates a new attitude on our part to the former Soviet republics. Thank you.

[Unidentified BTA reporter] I have a question for Mr. Yeltsin and Mr. Zhelev. In your assessment, what were the most difficult things to overcome when preparing the new Bulgarian-Russian treaty? And Mr. Yeltsin, how would you respond to certain unconcealed accusations that Russia is not fully observing the embargo against Serbia?

[Yeltsin] There is no embargo. I reject all attacks on this subject. I categorically reject them. By signing the treaty today the two presidents—yes, we have difficulties in our economies in both Russia and Bulgaria; there are objective reasons. However, may God preserve us, this does not imply an embargo, it is not a political decision.

[Interpreter, interposing] Mr. Yeltsin has not understood the question.

[Yeltsin] I apologize, I did not hear you properly. I did not hear that the question was about Serbia, I thought that it concerned Bulgaria. No, it is absolutely the same with our relations with Serbia. The embargo that exists is being observed. I signed a decree on suspending economic links with Serbia in accordance with the decisions of the UN Security Council.

[Zhelev] I would like to add to the question that also was addressed to me, asking what was the most difficult matter in preparing the bilateral treaty that we have just signed. Fears did exist that the most difficult issue would lie in the military field, but it turned out that this was not the case. Our cooperation in this field will be at the technical and technological level, without assuming any special political commitments.

[Valeri Todorov, "Khorizont" program] My question to the two presidents is as follows: It was said that the economic agreements will be signed subsequently. Have any technical difficulties cropped up, or is it necessary to further specify any details?

[Yeltsin] The agreement on scientific and technical cooperation is ready. Aleksandr Sergeyevich, perhaps it has even already been signed? Viktor Stepanovich, what do you say? It will be signed today. No other difficulties exist apart from technical ones of printing and so on.

[Zhelev] I can confirm the same, and hope that whether we will succeed in preparing, as quickly as possible, the additional agreements and pacts that are to follow the treaty, will depend on our efficiency and speed in overcoming the bureaucratic red tape that exists both in Bulgaria and in Russia. I repeat, these concern an agreement on avoiding double taxation, an agreement on the protection of investments, a trade agreement that has to be signed, a transport agreement because things are

changing markedly and the agreement is out of date, and agreements in the intellectual field.

[Moderator] We have time for one last question, but this time Mr. Kostikov, President Yeltsin's press secretary, will decide who will ask the question.

[Kostikov] I think we will give our Bulgarian colleagues the opportunity to ask this question. Who wants to ask the last question?

[Ivan Kalchev, NOV DEN newspaper] I have a short question for the two presidents. Two days ago, Mr. Gorbachev made an extremely gloomy prediction for Russia's future during the next few months. What do the two presidents think about this prediction?

[Yeltsin] Mr. Gorbachev had the opportunity to begin economic reform six years ago, but he did not. He will have to answer for this. Everything else is our affair, the business of the president, Supreme Soviet, and the government. We are sure, we are convinced that the reform will take place, that everything is going according to program, that the people support it, that the people will last out this very difficult year, and that 1993 will be easier. I am sure, I am convinced that I know the people's mood. Today the realities of our economy and our finances are much better than they were under Mr. Gorbachev. There is no doubt of this.

[Zhelev] I hold almost the same view, although I would support his [Gorbachev's] arguments. Russia's failure in the reform, in the complex and difficult road that it has embarked upon, would mean a disaster not only for the Russian Federation, but also for Europe and the world. Even in view of this consideration alone, the West will do everything possible to assist the Russian leadership, especially President Yeltsin, in his efforts to ensure the success of the reform.

Yeltsin: Russia Should Recognize Macedonia

AU0408100492 Sofia BTA in English 0939 GMT 4 Aug 92

[Text] Sofia, August 4 (BTA)—Russia must immediately recognize the independence of Macedonia and the people of that country alone have the right to decide its name. What matters to us is to recognize its independence, President Boris Yeltsin of Russia told a news conference after the signing of the Bulgarian-Russian Treaty of Friendly Relations and Cooperation. Mr Yeltsin pointed out that in more respects than one Russia takes the Bulgarian leadership's position as a reference point and supports it.

Yeltsin Ends Visit; Defense Ministers Sign Accord

AU0408163092 Sofia BTA in English 1530 GMT 4 Aug 92

[Excerpts] Sofia, August 4 (BTA)—The Treaty of Friendly Relations and Cooperation Between the Republic of Bulgaria and the Russian Federation, signed today, was assessed as "historic" by President Zhelyu Zhelev of Bulgaria. "This document ends an epoch in bilateral relations and ushers in a new one," Dr. Zhelev told a news conference after the signing ceremony. [passage omitted]

After the news conference Dr. Zhelev gave a luncheon for Mr. Yeltsin at which the two presidents made toast speeches.

President Zhelev stressed the realism and pragmatism of the new Bulgarian foreign policy and the desire to assert a new democratic society. He expressed the hope that Russian democracy will manage to get over the difficulties of the transition and bring the renewal to a successful competition. "In this sense, we have common goals: To build modern democratic states occupying a worthy position in the new Euroatlantic space," Dr. Zhelev emphasized.

The Russian president stressed his respect for Dr. Zhelev, "a person who is with good reason associated with the bold reforms in Bulgaria." He recalled the depth and strength of the friendly feelings between the Russian and the Bulgarian peoples and stressed that the "bad political weather did not affect the relations between our two peoples: These relations do not change with the changeable political weather. It is a behest of history to maintain and promote their fine traditions." Free of communist tyranny, Russia and Bulgaria have bright prospects, Mr. Yeltsin said.

Later in the day Mr. Boris Yeltsin left the country.

After the signing of the Treaty of Friendly Relations and Cooperation Between the Republic of Bulgaria and the Russian Federation, the two countries' Ministers of Defence Aleksandur Staliyski of Bulgaria and General Pavel Grachev of Russia signed an agreement on cooperation between their ministries.

The document envisages cooperation in the fields of military technology and military science, exchange of technologies, military training, and cultural contacts. The ministries will work according to annual plans. Apart from official visits and meetings of senior military, the agreement covers consultations, work experience and retraining of servicemen, exchange of invitations to exercises, conferences and seminars, exchange of information, and documents. It is explicitly stated that the financial settlements related to the fulfilment of the agreement between the Bulgarian and the Russian Defence Ministries will be effected on a currency-free basis. The document will continue for ten years and may be automatically renewed for further five-year periods unless any party gives the other a written notice of termination one year before the expiry of the respective period.

The ministries will apply the agreement in compliance with their national legislation, says Article 1 of the document. Its fundamental principles are long-term

mutual benefit, respect for and reckoning with the interests of the other contracting party.

Bulgaria and Russia today signed an agreement on the formation of an intergovernmental commission for trade, economic, scientific and technological cooperation and a memorandum between the two countries' ministries of industry.

Commenting to BTA on the agreement, Bulgarian Deputy Prime Minister Ilko Eskenazi said that it set up an institutional mechanism to solve the problems.

The commission will handle the questions arising in the different working groups as well as the problems of payments. "It is absurd to believe that such a complicated system like payments can be arranged overnight," Mr. Eskenazi said.

He said that the so-called triangular operations had been raised at the talks. This problem had not been solved and the commission will address it, too.

Savov, Dimitrov Receive New Russian Ambassador

AU0308171392 Sofia BTA in English 1658 GMT 3 Aug 92

[Text] Sofia, August 3 (BTA)—After presenting his credentials to President Zhelev late last week, today the newly appointed ambassador of the Russian Federation to Bulgaria, Mr. Aleksandr Avdeyev, was received consecutively by National Assembly Chairman Stefan Savov and Prime Minister Filip Dimitrov.

During his talks with Mr. Savov, the Russian diplomat pointed out that "now there are but a few issues on which there is consensus in the Russian society, torn by contradictions, and one of them is its attitude to the Bulgarian people," the parliamentary press office told BTA. Both sides expressed the hope that Bulgarian-Russian relations will be cleared of all remains and distortions of totalitarianism and will be placed on a new, equal basis. Mr. Savov accepted the invitation of the chairman of the Russian parliament, Mr. Ruslan Khasbulatov, to visit Moscow in October or November.

Today the ambassador of the Russian Federation, Mr. Avdeyev, was also received by Prime Minister Filip Dimitrov. The Bulgarian prime minister expressed the hope that the signing of a sensible bilateral treaty would not only restore but also activate the economic relations between the two countries, the press office of the government reported.

Russia Grants Oil Quota To Revive Trade Links

AU0108175592 Sofia DUMA in Bulgarian 29 Jul 92 p 1

[Dispatch from Moscow correspondent]

[Text] In an interview published in KOMSOMOLSKAYA PRAVDA, Peter Aven, Russian minister of foreign economic relations, stated that Bulgaria has been granted a quota of one million tonnes of petroleum. Of this amount, the larger proportion—600,000 tonnes—is to be sold by tender, while the remainder will be exported by the foreign trade association. The minister regarded this as an example of the special measures to be undertaken to revive trade links, for which it is necessary to depart from purely market principles. He did not mention whether this gesture is connected with the forthcoming visit by Russian President Boris Yeltsin to Sofia.

Aven pointed out that the method of implementing this system of commercial ties is for the Russian producers to hold direct negotiations with their partners from East Europe. The Bulgarian representatives who have visited various regions were among the first to try out this system, the minister said. Now his ministry is trying to send petroleum business experts to Czechoslovakia and Bulgaria with the aim of confirming on the spot that it is advantageous to trade with them in the same way as with the West. In the minister's view, this is one of the ways to rescue foreign trade turnover from its current state of serious crisis.

Parliament Ratifies Human Rights Convention

AU3107180192 Sofia BTA in English 1559 GMT 31 Jul 92

[Text] Sofia, July 31 (BTA)—The European Convention for the Protection of Human Rights and Fundamental Freedoms and the protocols to it adopted on March 20, 1952, were ratified by the Bulgarian National Assembly today, given the support of all MP's [members of parliament].

Today's parliamentary debates found that the principal rights and freedoms set in this convention are provided for by the Bulgarian Constitution and its ratification will not create contradictions between Bulgarian and international legal regulations.

Ratifying this convention, the Republic of Bulgaria recognizes the competence of the European Commission of Human Rights to examine claims filed by any individual, non-governmental organization or group of individuals. It also recognizes the jurisdiction of the European Court of Human Rights on issues concerning the interpretation and implementation of the European document that may arise after the declaration has taken effect.

EC Envoy Says Investors 'Prefer' Czech Republic

AU0308123992 Prague CSTK in English 1934 GMT 29 Jul 92

[Text] Prague July 29 (CSTK)—Leopoldo Giunti, European Community (EC) ambassador to Czechoslovakia, said the EC does not favour considerations about a possible joint representation in the EC of the Czech and Slovak Republics, in case they become independent after a possible disintegration of Czechoslovakia.

In an interview for THE PRAGUE POST weekly published Tuesday [28 July], Giunti said that if Czechoslovakia breaks up, new talks will be necessary on export quotas to the EC for the Czech and Slovak Republics.

Explaining why foreign investors prefer the Czech Republic to Slovakia, Giunti said that the key factor in their decisionmaking is the stability of a country in which they intend to invest their money. Slovakia is not considered a stable region, he said. One of the causes may also rest in Slovak representatives themselves, Guinti added.

He said nevertheless, that the international community will be interested as much in Slovakia as in the Czech Republic, in case of the country's breakup. Slovakia as an independent entity will not be ignored, he said.

Even though there are all indications that the Czechoslovak federation is doomed to ending, EC representatives still cherish the hope that Czechoslovakia will be preserved and contribute to continuing stability in the region, Giunti said.

Trade Union Report Analyzes Impact of Breakup

AU0308124192 Prague CSTK in English 1330 GMT 29 Jul 92

[Text] Prague July 29 (CSTK)—In a 13-page report published here this week, the Czech and Slovak Confederation of Trade Unions (CSKOS) analyses the probable "socioeconomic impacts" of the Czechoslovak Federation's breakup, currently being negotiated by the leaders of the Czech and Slovak parliaments.

The study, presented to the premiers of the Federal, Czech and Slovak Governments on Monday [27 July], predicts serious difficulties for both republics, though it repeatedly stresses that Slovakia will have a harder path to economic independence.

Prepared by the CSKOS' team for macroeconomic analysis and prognosis, the document is divided into three sections.

The first presents a brief overview of the two republics' economies in the postwar era, and a rundown of their economic strengths and weaknesses.

Most characteristic of the postwar communist economy was the redistribution of financial resources in favour of the Slovak Republic, leading to speedier development for Slovakia compared to the Czech lands in the 1950's and 1960's. The result of this policy today is differently structured economies in each half of the country, with each republic having its advantages and disadvantages, the report says.

Major drawbacks for Slovakia include a smaller "domestic" market, less competitive producers, plus a greater dependence on the East European market and on the arms trade. The problem of converting its arms industry to non-military production is especially urgent, in view of the shrinking global weapons market. In addition, the Slovak Republic has less favourable conditions for farming, reflected in lower output.

In contrast, the Czech Republic has a larger home market, a better position geographically, greater natural resources and mineral wealth, a larger supply of skilled labour and a more developed infrastructure.

The flip side, however, is the Czech lands' high "internal debt." This is the term used by CSKOS to refer to the deteriorated condition of Czech schools, hospitals and housing, as well as the extensive environmental damage.

Important relations of interdependence between the two republics include Slovakia's dependence on the Czech lands for solid fuels and electrical energy and, in the other direction, the Czech Republic's need for Slovak raw materials.

In the second section, focused on the likely economic consequences of a split into two independent states, the study attaches great importance to the fact that trade between the Czech and Slovak economies will have to be paid for in convertible currency. CSKOS predicts that this will lead to increased indebtedness for both sides and a revival of the black market in hard currency.

Combined with a drop in exports to traditional markets as a result of either forfeited or painfully renegotiated trade and customs agreements with other countries and international financial institutions, both states will experience a decline in economic performance and increased joblessness.

Each republic will have to finance its own army, border guards, customs operations, diplomatic corps and trade representatives, all of which have been up to now largely financed from the budget of the Czechoslovak Federation. As costs pile up and unemployment rises, the governments will be forced to raise taxes and insurance rates, a policy that could contribute to the already emerging social unrest. Concretely, the CSKOS analysis foresees the unemployment rate climbing to roughly 10 percent in the Czech lands and as high as 25-30 percent in Slovakia, on the average. Moreover, the breakup or anticipation of a breakup could very well cause a "massive run on savings with the resultant panic and threatened stability of the market", it says.

While Slovakia will probably not completely cut the Czech lands off from oil supplies, to which it has access

as a result of the pipelines running across its territory, it is entirely possible that Slovak companies will prefer their own refineries "to the detriment of Czech firms", according to the study.

The third and final section deals with the most immediate economic policy measures likely to be implemented if the two republics split up.

Pointing out the "markedly different approaches" of the winners of the June elections in each of the republics, CSKOS concludes that a common currency is out of the question. This means that each government will have to draft and implement its own monetary policy, with special attention to the danger of inflation and an outward drain of hard currency. It will further be necessary to renegotiate or speed up talks on the fate of Czechoslovakia's various agreements with international financial institutions. An agreement between the republics on dividing up foreign debts and credits will probably have to be made, CSKOS notes.

In conclusion, the report stresses that even if the breakup occurs in a "friendly atmosphere", it will lead to a slowdown, if not a temporary stagnation, of both republics' transformation to a market economy, with a particularly heavy impact on the "weak, newly beginning private sector".

CSKOS says that those in the Czech Republic who believe the mere act of stopping resource redistribution to Slovakia will mean a surge in the Czech economy are fooling themselves.

As Richard Falbr, president of CSKOS, said last Sunday [26 July]: "Not only are our grandchildren going to pay (for the breakup), but those who come after them as well".

Poll Shows Most Popular Slovak, Czech Figures

AU0308130392 Prague CSTK in English 1548 GMT 30 Jul 92

[Text] Prague July 30 (CSTK)— Vaclav Havel continues to be the most popular figure in the Czech Republic, according to a survey given to CSTK today.

The survey, carried out by the Prague-based Institute for Public Opinion Research, polled 1,001 Czechoslovak citizens over 15 in the first decade of July, before Slovakia's Declaration of Sovereignty on July 17 and Havel's resignation from the post of Czechoslovak president on July 20.

Havel is followed by current Czech Premier Vaclav Klaus, Economics Minister Vladimir Dlouhy, and former Czechoslovak Foreign Minister Jiri Dienstbier.

In Slovakia, SDL (Party of the Democratic Left] Chairman Peter Weiss surpassed Slovak Premier Vladimir Meciar, followed by Czechoslovak parliament chairman Michal Kovac, and CSSD [Czechoslovak Social Democracy] election leader Valtr Komarek.

[Prague LIDOVE NOVINY in Czech on 31 July on page 3 carries the following table, which provides detailed results of the above poll.

Czech Republic			Slovak Republic		
V. Havel	79	0	P. Weiss	75	+ 15
V. Klaus	72	+ 14	V. Meciar	73	0
V. Dlouhy	68	+ 7	M. Kovac	70	—
J. Dienstbier	68	+ 4	V. Komarek	70	+ 6
J. Kalvoda	59	+ 10	I. Gasparovic	58	—
V. Komarek	54	0	A. Dubcek	57	- 12
J. Strasky	47	—	M. Knazko	54	—
J. Lux	47	+ 19	J. Prokes	53	+ 12
M. Macek	38	—	R. Sacher	52	—
F. Trnka	32	—	V. Havel	48	- 9
R. Sacher	31	—	J. Dienstbier	44	- 5
A. Dubcek	30	0	J. Strasky	37	—
P. Cermak	30	—	V. Klaus	36	+ 19
M. Sladek	30	+ 18	V. Dlouhy	33	- 9

[In an explanatory note, LIDOVE NOVINY states that the first figure refers to "percentage of supporters" and the second figure to "gain or loss compared with the May poll." A dash means that the relevant politician did not figure in the May poll.]

Slovak Council Appoints Commission for Czech Talks

AU0308124092 Prague CSTK in English 1813 GMT 29 Jul 92

[Text] Bratislava—The Slovak parliament Presidium agreed today with setting up four commissions to deal with cooperation between the Czech and Slovak Republics as two independent states, in the economy, defence, foreign and social policies, and a coordinating commission consisting of 13 members and headed by Slovak Parliament First Deputy Chairman Augustin Marian Huska.

[Bratislava NARODNA OBRODA in Slovak on 30 July on page 2, under the headline "Continually Constitutionally," carries an 800-word report by Dagmar Bombikova on the Slovak National Council [SNR] session at which the commissions were appointed. The report states that the 13-member coordinating commission was appointed "according to proportional representation" and that "six deputies from the Movement For a Democratic Slovakia, three from the Party of the Democratic Left, two from the Christian Democratic Movement, and one each from the Slovak National Party and the Hungarian coalition parties are represented in it." The report adds that the SNR Presidium "recalled Dr. Boris Kordos from his post as head of the SNR Office and entrusted Dr. Gabriel Dzurek with this post."]

HZDS Official Denies Split in Movement

LD0108195492 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 1 Aug 92

[Interview with Michal Kovac, deputy chairman of the Movement for a Democratic Slovakia, HZDS, by correspondent Vladimir Lach on 1 August during a break in an HZDS session in Cadca, northwest Slovakia—recorded]

[Excerpts] [Announcer] Since this morning, members of the republican leadership of the Movement for a Democratic Slovakia [HZDS] have been holding their regular session in Cadca. The agenda includes personnel changes. [passage omitted] During a break in the session Vladimir Lach interviewed HZDS Deputy Chairman Michal Kovac.

[Lach] A large part of today's session was devoted to the situation within the HZDS. The floor was given mainly to HZDS representatives from the districts.

[Kovac] The assessment was very critical— our side addressed questions at the districts, and the districts addressed questions at the leadership—that is the deputy chairmen, the chairman, and other bodies of the movement, mainly at the political caucus.

[Lach] Could you give us examples of some of the issues which were the object of criticism?

[Kovac] Well, it was criticism by the districts about the slow process of changing certain people, both of lower and higher rank, in the state administration. They were demanding that this process be accelerated, and the reason they sometimes gave was merely that someone was a member of a certain party. The chairman of the movement and others have, of course, objected to this, because even in our pre-election campaign we stressed that changes would not be made according to people's party affiliation but according to their abilities.

The process of exchange will continue, not according to party affiliation, but based on the profound assessment of the work done so far by the respective workers. If serious shortcomings are uncovered then the changes will be carried out.

[Lach] A lot is being said mainly by opposition parties that there is some kind of split within the HZDS. Was there any sign of that at today's meeting?

[Kovac] Again I can say that it has been confirmed that nothing like that exists. There are no branches, no streams. There was only criticism voiced to the effect that where the press selects certain officials and links them to some other kind of activity, it is the duty of these officials to publicly deny the allegations.

[Lach] The name of Mr. Filkus [HZDS deputy in the Federal Assembly] is often being mentioned.

[Kovac] Some newspapers—Czech dailies—claim that Mr. Filkus is the representative of some kind of social democratic stream within the movement. That is not true. It has been confirmed today that it is not true. We know best that it is not true, but it is the duty of Mr. Filkus, or myself, or whoever the case may be—if he is linked to some kind of information like this—to voice his protest against it.

[Lach] Today's discussion also focused on the issue of the political agreement between the HZDS and the Civic Democratic Party [CDP].

[Kovac] We have also checked the fulfilment of the political agreement and stated that in some respects it was necessary to return to the assessment and remind our partners of some parts which, in our view, have so far not been implemented. This is, for example, the case when the Government was to discuss and solve the question of the revocation of the director of the Federal Bureau of Information Services—this has not taken place so far. Also, as far as the question of appointing the IMF and World Bank governors is concerned, there has been an agreement that one should be a representative of the Czech Republic and the other of the Slovak Republic, and this has so far not been implemented since certain differences of opinion exist. So in this sense we would like to act very correctly but also be firm and uncompromising, so that everything which has been the subject of political talks is consistently fulfilled.

[Announcer] The leadership of the HZDS ratified the political agreement with the CDP. As Slovak Government spokesman Bohuslav Geci told the press, the HZDS leadership stated that this agreement was not being observed on the part of the CDP, particularly in the approach to the adoption of the new law on the division of powers, the law on the demise of the federation, and in the appointment of some deputy ministers. HZDS deputy chairmen were asked to intitiate a meeting with the CDP and discuss these points.

Bohuslav Geci then stated that it was not clear whether a common currency would be preserved and whether there would be a financial council to coordinate currency development in both republics.

Bohuslav Geci marked the attitude of the present Czech political representation as much more progressive than that of the previous one, since the present did not draw any catastrophic scenarios.

Stolojan Briefs Press After Talks on Prefects

AU0408095692 Bucharest Radio Romania Network in Romanian 1700 GMT 3 Aug 92

[Text] After about six hours of talks at the mayor's office in Sfintu Gheorghe Municipality between Prime Minister Theodor Stolojan and Secretaries of State Mircea Vaida and Doru Viorel Ursu, who were representing the government, and the delegation of the Democratic Union of Hungarians in Romania [UDMR], parliamentarians, and representatives of other parties' Covasna and Harghita County branches, concerning the recent demotion and appointment of [the Covasna and Harghita County] prefects, a news conference was held today.

According to our reporter, Mihai Seceleanu, the prime minister highlighted the fact that a number of solutions have been examined—including restoring the situation as it was before 21 July—and finally a solution has taken shape. That solution would take into account both the interests of the Romanian population, and those of the population belonging to the Hungarian ethnic group, Mr. Stolojan said. Even if that solution does not fully satisfy both parties, the premier stressed, it is still a step forward, although its juridical validity would have to be examined.

Concerning the idea of appointing two prefects in each of those counties, the premier pointed out that, quote, such a thing seems to be impossible from the juridical point of view, unquote.

We are looking for a temporary solution that should hold until after the elections, Mr. Stolojan said, further assessing that the atmosphere of the talks was normal, considering that each of the parties had a number of very clearly distinguishable points.

Mr. Theodor Stolojan finally appealed to the parties to stick to reason and to act with a view to understanding among the ethnic groups living in that area, as that is the only way for them to live together.

Mr. Arpad Orban, President of the UDMR Covasna County Organization, stated that his political party will only take a stand after the government announces its decision.

Parties Hold Talks on New Electoral Alliance

AU0308195692 Bucharest ROMPRES in English 1343 GMT 3 Aug 92

[Text] Bucharest, ROMPRES, 3/8/1992—Monday morning, August 3, at the headquarters of the Free Democratic Party [PLD], the third and last round of talks took place between representatives of the 57 political parties which hold no seats in Parliament. They decided to unite in an opposition political formation to be called "The Alliance for National Dignity."

The steering committee of the new alliance will comprise all the leaders of the adhering parties. Candidates will be run on common slates both for the parliamentary and for the presidential elections, and the electoral sign of the alliance will be a loaf of bread.

Democrats Lead in LIBERTATEA Opinion Poll

AU0308200592 Bucharest ROMPRES in English 1337 GMT 3 Aug 92

[Text] Bucharest ROMPRES, 3/7/1992—An opinion poll made by the marketing and polling institute and published by daily LIBERTATEA shows the following table regarding the intentions of the Romanian electorate for the autumn elections:

In the parliamentary elections the Democratic Convention (CD) opposition alliance would get 30.42 percent of the votes, the National Salvation Front (FSN) 12.46 percent, the alliance between the Romanians' National Unity Party and the Greater Romania Party 11.1 percent, the Democratic National Salvation Front (FDSN) 10.25 percent, the Hungarian Democratic Union of Romania [UDMR) 6.03 percent, the National Liberal Party (PNL) 5.45 percent, the Democratic Agrarian Party of Romania plus the Romanian Ecologist Movement 3.41 percent, other parties 2.74 percent. 18.14 percent of the people questioned were undecided.

From the presidential candidates, current President Ion Iliescu runs highest in the voters' preferences with 22.9 percent of the potential votes, followed by the Democratic Convention's candidate Emil Constantinescu 19 percent.

Among the personalities who do not run for any office Prime Minister Theodor Stolojan came first with 19.5 percent, followed by Christian Democratic National Peasant Party Vicepresident Ion Ratiu 7.7 per cent, ex-premier and president of the FSN Petre Roman 5.9 percent and president of the PNL Radu Campeanu 5 percent.

In case a second ballot is necessary in the presidential elections, the poll shows a close competition between FDSN candidate Ion Iliescu, with 38.5 percent of the potential votes, and CD candidate Emil Constantinescu, with 37.3 percent.

Karadzic Denies Serbs Made Concessions to Muslims

AU0308205592 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 3 Aug 92

[Report by Rada Djokic from Sarajevo]

[Excerpt] [passage omitted] Izetbegovic's radio and television have carried the news that Dr. Radovan Karadzic [president of the Serbian Republic of Bosnia-Hercegovina] has given Vogosca and Ilijas to the Muslims. Is there any truth in this?

[Begin recording] [Karadzic] There is not one grain of truth in this. This is only one in a string of propaganda lies that the radio and television of the Muslim part of Bosnia-Hercegovina have been carrying. What is true is that there have not yet been any talks on territories and what is true is that the assembly [of the Serbian Republic of Bosnia-Hercegovina] has established the borders of Serbian Bosnia-Hercegovina. These borders encompass all Serbian regions and therefore Ilijas and Vogosca and Ilidza and Pale too, so that there is not one grain of truth in all that.

On the other hand, the Serbian leadership will not allow or take upon itself the burden of giving anything to anyone. The people will decide where the borders are.

[Djokic] What is the aim of such substantial lies at this time?

[Karadzic] The aim is to confuse the Serbian fighters and defenders because a huge offensive is planned which will start from central Bosnia via Visoko and then Ilijas and Vogosca—which are Serbian communes and Serbian territory—in order to open a corridor to Sarajevo. The fighters would be confused and possibly demoralized, so that they refuse to defend. These lies are told quite deliberately. [end recording]

Bosnia-Hercegovina radio and television continues to carry only untruths regarding the Serbian people. Mladen Gvero, assistant chief of the Army General Staff of the Serbian Republic, denied today that the Serbian Army yesterday fired at a bus of children between the airport and Ilidza.

[Begin recording] [Gvero] I think that this is one of a string of disgusting lies which the other side has fabricated with its Goebbels-like philosophy. I am only interested in who would be willing to shoot at small children in order to besmirch the other side, because this cannot be explained in any other way.

Our positions did not open infantry or any other type of fire at that time. Anyone who was following the events of yesterday knows that fighting in this region did not start until dusk with the shelling of Nedjarici with mortar bombs and gun shells from three directions. [end recording]

According to information from the Serbian Army, Muslims captured and led about 30 women and children away from the Trnovo Commune to the Godinja cave. At Rogoj, Serbian fighters seized heavy weapons from Muslims. These weapons included a three-barrelled gun manufactured in Arab countries.

Some 19 planes landed at Sarajevo airport today with around 200 tonnes of food and medicines.

Serbian Republic Calls Up all Conscripts

LD0308171392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1630 GMT 3 Aug 92

[Text] Pale, 3 Aug (TANJUG)—The Presidency of the Serbian Republic of Bosnia-Hercegovina [SRBH] issued a proclamation today calling on all conscripts who have not yet been included in military units of the SRBH Army to report immediately to a Defense Ministry department in their own or in the closest municipality in order to offer resistance to an all-out offensive launched by Muslim and Croatian forces.

The same call-up is valid for conscripts of Serbian nationality who are at the moment outside the territory of the Serbian Republic. All firms and state bodies must reduce to a minimum the number of workers subject to the compulsory work order, and where possible replace them with pensioners and women.

Izetvegovic Calls For End to Arms Embargo

LD0408075592 Belgrade TANJUG in English 2336 GMT 3 Aug 92

["Pool" item]

[Text] United Nations, Aug 3 (TANJUG)—President of the incomplete Presidency of Bosnia-Hercegovina Alija Izetbegovic on Monday [3 August] demanded of the UN Security Council to lift the embargo on arms sales to Bosnia-Hercegovina. Under UN Security Council Resolution 713, an arms sales embargo was imposed in September 1991 for the whole territory of the former Yugoslavia. On April 7, the European Community (EC) recognized the independence of the former Yugoslav Republic of Bosnia-Hercegovina. In circles close to the Security Council, which is chaired in August by Chinese Ambassador Li Daoyu, there are no indications so as to when Izetbegovic's call may be reviewed.

In his letter to the UN Security Council, Izetbegovic demands that the Bosnian government be permitted to import arms in order to "achieve the right to individual or collective self-defence" guaranteed by UN Charter Article 51. Izetbegovic says that "the aggression of the Belgrade regime on Bosnia-Hercegovina continues" and that the Yugoslav Peoples' Army (JNA) has not withdrawn from the territory of this independent state.

Dobrica Cosic, the president of the Federal Republic of Yugoslavia (FRY), comprising the Republics of Serbia

and Montenegro, informed the Security Council in mid-July that after May 19 all forces of the Army of Yugoslavia had been pulled out of Bosnia-Hercegovina. Following its pull-out from Bosnia-Hercegovina, the JNA left behind military equipment not only to the Army of the Serb Republic of Bosnia-Hercegovina but to the Muslim-Croat coalition as well, Cosic said. Izetbegovic also says in his letter that the latest cease-fire agreement is not observed in Bosnia-Hercegovina.

Bosnian Serb leader Radovan Karadzic said on Sunday that Muslim forces had launched a full-scale offensive in Sarajevo but in central and northern Bosnia-Hercegovina as well, "despite all efforts exerted by Serbs to preserve peace." A cease-fire agreement signed in London two weeks ago by the representatives of Bosnia's three warring sides expired on Sunday. Bosnia-Hercegovina has for nearly four months been locked in fierce inter-ethnic strife in which local Muslims and Croats, backed by the Army of neighbouring Croatia, are pitted against Bosnian Serbs. The fighting escalated following the EC's decision to recognize Bosnia-Hercegovina's independence at the request of the Muslim-Croat coalition but against the will of the Serbs who account for one-third of the republic's population.

Izetbegovic adds in his letter that "if the Security Council is not in the possibility to take necessary measures for the protection of a member of the United Nations which is faced with a foreign military attack, it should not prevent the member-state from ensuring its self-defence."

Ganic Visits Germany, Asks For Assistance

AU3107133292 Cologne Deutschlandfunk Network in German 1100 GMT 31 Jul 92

[Peter Kwall report on news conference by Vice President Ejup Ganic in Bonn on 31 July; passages within quotation marks are recorded statements by Ganic in English]

[Text] Bosnian Vice President Ejup Ganic's visit to Bonn today turned into a heated accusation against the United Nations, but also against the EC. Everywhere, even at the G-7 [Group of Seven] conference in Munich and the CSCE conference in Helsinki, the fate of Bosnia-Hercegovina has been discussed, but nothing has been done. It is not a question of civil war, a struggle between pressure groups or parties, but rather an exclusively Serbian act of aggression, he said. Everywhere sanctions were resolved, but without success, with two cynical exceptions:

[Ganic] "The only two things they feel in Serbia about aggression is that their football team could not participate in the championship in Europe and they cannot fly from Belgrade airport, which is open."

Thus, the sanctions only prevented the participation of the Yugoslav soccer team in the European championship in Sweden and the use of Belgrade airport. The Serbs are playing a dirty game, Ganic said. They are banking on winter and the lack of fuel, oil, coal, and foods in Bosnia-Hercegovina. According to the new man from the United States, the Serb Panic, negotiations are allegedly being held. But their only objective is to starve the Bosnians, he said.

[Ganic] "They do not have food, they do not have basic needs. What we learn in Bosnia-Hercegovina is that human limits are so large, you know [as heard]. The logical calculation indicated that people would die a long time ago, but somehow they eat grass, they drink the polluted water, and somehow they survive."

That is to say, the people eat grass and drink polluted water. For example, 10,000 Serbian soldiers are encircling the city of Gorazde. When these 10,000 men have occupied the city, they will move on to Sarajevo to also occupy the capital. The world does not help. One is deeply disappointed with the United Nations, the EC, and the CSCE. Lord Carrington's conferences are not serious, he said.

The special difficulty is the population of Bosnia-Hercegovina. There are all religions: Christians, Roman Catholics, Orthodox, Muslims, and Jews, who coexist. Mixed marriages are quite common. Therefore, individual groups cannot be divided to be sent here and there. There is a Bosnian Army, but it has no weapons, Ganic said.

The vice president asked for weapons and other help, but above all for political help from the international organizations.

Calls For End to Embargo

LD3107131992 Hamburg DPA in German 1234 GMT 31 Jul 92

[Text] Bonn (DPA)—Ejup Ganic, vice president of the Republic of Bosnia-Hercegovina, has called upon the "civilized world" either to give the Bosnians weapons or to put an end to the war themselves by using military means. After meeting Foreign Minister Klaus Kinkel yesterday, Ganic told journalists today that there are already 1.7 million refugees in his country. If the aggression is not stopped, a stream of around a million refugees could hit Europe, he said.

The discussion of the treatment of the refugees is of secondary importance to Ganic. The ending of the cause of the refugees' misery, the war, must have supreme priority, he said. He criticized the deployment of UN soldiers in Bosnia-Hercegovina. Because of them, the situation is being "frozen," he added. He attributed little effectiveness to the embargoes so far decreed.

Ganic Visits Austria; Calls Sanctions 'Ineffective'

AU0408091592 Vienna Oesterreich Eins Radio Network in German 0500 GMT 4 Aug 92

[Roland Machatschke report on statements by Bosnian Vice President Ejup Ganic in Vienna; date not given—

recorded; Ganic statements are in English with simultaneous translation into German]

[Text] Dr. Ejup Ganic, a Bosnian of Muslim nationality, is a computer expert by profession. For 10 years, he worked at the MIT in Boston, one of the most renowned technical universities of the world, and until recently he was a professor at Sarajevo University. His students are now fighting against the Serbian aggression and he himself is traveling throughout the world to propagate Bosnia's point of view.

[Begin Ganic recording] In Bosnia, we have a classical aggression, we do not have a civil war. We do not have an ethnic war, as claimed by Serbian propaganda. However, many people in Europe believe this and their reaction is: All that is too complicated, we do not want to interfere. [end recording]

The Bosnian politician says that the UN sanctions against Serbia are almost ineffective. Milosevic's regime can hold out for at least one and one-half years. First of all, it has the media, the police, and many other things under its control. Second, in a Bolshevik economic structure the state, not the individual company, decides what is a profit. Third, the Serbs have captured enough in Croatia and Bosnia to be able to hold out for a long time, he said.

Izetbegovic's government, which governs only a small part of Bosnia-Hercegovina, is interested in help against the cause of the refugee catastrophe, that is, aggression. The United Nations, NATO, the Western European Union, and the CSCE have not been able to stop the Serbian aggression. Bosnia is now asking for weapons.

[Begin Ganic recording] We defend ourselves with rifles. For example, in the city of Sarajevo we have citizens with rifles. We have about 4,000 to 5,000 rifles. However, 35,000 trained reservists, militia soldiers from the former Federal Army, are standing by, if they were only given an army. Thus, there is one rifle for about four fighters. The Federal Army is bankrupt, but still very dangerous. It first shells a city, the soldiers come only afterward. Some return gunfire might drive it away. But Bosnia does not have guns. [end recording]

The Bosnian vice president states that U.S. or European planes with special equipment for electronic warfare fly over Bosnia and jam the radio communications between the Serbian units and control centers. But, according to his summary after some talks in Western European capitals, one is not even prepared for this mission, which would not be a real action in a war.

Army Denies Paramilitary Fighting With Serbs

LD0308134892 Belgrade TANJUG in English 1100 GMT 3 Aug 92

[Text] Ljubinje, Aug 3 (TANJUG)—No paramilitary formations are fighting together with the local Serb Army on the Stolac-Capljina section of the Hercegovina front in the southwest of the former Yugoslav Republic of Bosnia-Hercegovina, the Command of the Bosnian Serb Army says.

"Those who refused to fight under a single Serb Command were barred from entering this territory," said Colonel Obrad Vuckovic, the commanding officer of this section of the battle front.

"If we are to separate, we should do so without crimes", said Col. Vuckovic in a clear reference to a planned division of Bosnia-Hercegovina along ethnic lines.

"In our territory, there are many embittered Serbs from the Neretva River valley, whose houses were torched by the regular Army of the neighbouring Republic of Croatia, and whose families and relatives were harassed or killed," said Col. Vuckovic. "Some of them seek revenge, but we do not allow it," he added.

Talking to reporters on a hill above Stolac, Col. Vuckovic said that the Croatian Army was bringing in reinforcements in preparation of a major attack.

They want to penetrate deep into the Hercegovina territory, as far as Bileca and Trebinje, the towns where Serbs have lived for centuries, he said.

Party of Rights Discusses Election Results

LD0308172692 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 3 Aug 92

[Report by correspondent Tihomir Vinkovic on news conference held by Croatian Party of Rights at Starcevic House in Zagreb]

[Text] Dobroslav Paraga, chairman of the Croatian Party of Rights [Hrvatska stranka prava—HSP], told journalists that these elections were unacceptable to the HSP because they were rigged. The HSP will call for these elections to be declared invalid and for extraordinary elections to be carried out. It is surprising that the HSP collected fewer votes than the number of its registered members, Paraga said. Refering to the conduct of the pre-election campaign, Paraga noted the increase in negative publicity for the HSP, particularly at the end of the election campaign. The politically left-wing oriented media, as Paraga called them—NOVI DANAS and SLOBODNA DALMACIJA—frightened the Croatian people about the future of Croatia if the HSP won the elections. There was a curious similarity in the statement of the candidate of the Party of Democratic Change, Mr. Tomac, that the HSP would win about six percent of votes, and the actual result of the elections. Noting the electoral manipulation, Paraga mentioned 56 polling stations in the Zagreb municipality of Tresnjevka where votes were counted by the municipal electoral commission in 15 premises. As the voting was monitored by only one member of the HSP, Paraga doubts their regularity. Paraga made the announcement on Croatian Television 10 minutes before the end of the election, to the effect that the Croatian Party of Rights supported the presidential candidature of Dr. Tudjman. Since there are two Parties of Rights in Croatia, and it was not specified which was supporting Dr. Tudjman, the Croatian people were left in confusion. The denial sent by the HSP was not broadcast by Croatian Television. According to Paraga, it would have been realistic for the HSP to win 35 percent of the votes in these elections. The HSP will inform foreign governments of its doubts in the regularity of the elections, and its chairman views the results of the elections just completed as the victory of totalitarianism over democracy.

SNP To Disband; Upset Over Elections

LD0308172192 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 3 Aug 92

[Text] The Serb National Party [Srpska Narodna Stranka—SNP] is dissatisifed with the latest parliamentary elections in Croatia and in reaction its representatives have stated the following: The system of electing parliamentary deputies has placed the Serb national community in an unequal position in comparison with other national communities in Croatia. This was said at a news conference in Zagreb today organized by SNP leaders. Serb national community members were not allowed to select their deputies in the Croatian assembly in the same way as other national minorities. Instead, by voting for individual Croatian political parties the Croatian electorate selected people to represent the Serbs. This raises the question of respect for the constitutional law on human rights and the rights of ethnic and national communities, SNP President Milan Djukic stressed. After the unfavorable election outcome, the SNP leaders have decided to hold an assembly at which the SNP will be disbanded.

Hadzic Says FRY Should Comprise Serb Regions

LD0308142192 Belgrade TANJUG in English 1149 GMT 3 Aug 92

[Text] Podgorica, August 3 (TANJUG)—Goran Hadzic, president of the Republic of Serb Krajina which was proclaimed last year within the administrative boundaries of the former Yugoslav Republic of Croatia, has said that the Serb territories in the seceded Yugoslav Republics should be part of the Federal Republic of Yugoslavia.

"The third Yugoslavia with only Serbia and Montenegro cannot survive, because we [word indistinct] also its parts," Hadzic said in an interview which was published in Monday's [3 August] edition of POBJEDA, the leading Montenegro daily.

Hadzic said that Yugoslavia should consist of Montenegro, Serbia, the Republic of Serb Krajina and the Serb Republic of Bosnia-Hercegovina, and that it should be called the United Serbian States.

Serbs in Croatia and Bosnia-Hercegovina proclaimed their own republics within the administrative boundaries of these former Yugoslav republics, refusing to accept secession from their parent country Yugoslavia and their downgrading to the status of a national minority.

These are the main reasons behind last year's clashes between Croats and Serbs in Croatia, and the war which the Moslem-Croat coalition in Bosnia-Hercegovina has been waging for four months against the Serb population of Bosnia-Hercegovina.

Speaking about the deployment of the United Nations Protection Force (UNPROFOR) in the Republic of Serb Krajina, Hadzic said that this was a compromise and that it was "clear to everyone, and particularly to Croats" that this was the definite border between Croatia and the Republic of Serb Krajina.

"We are not happy because the Serb cities of Zadar, Sisak and Karlovac are on the Croatian side of the border. I find this hard to accept, but if it is a condition for an end to the war, then I am all for negotiations," Hadzic said.

The territory of the Republic of Serb Krajina has been placed under U.N. protection as of March this year, under decision of the U.N. Security Council.

Commenting on Serbian opposition demands for the resignation of Serbian President Slobodan Milosevic, Hadzic said that it would not be good if the Serbian president was ousted under "non-democratic pressure from the opposition."

Troops Withdraw From Peruca Hydroelectric Plant

LD0308151692 Belgrade TANJUG in English 1337 GMT 3 Aug 92

[Text] Knin, August 3 (TANJUG)—The Croatian forces began withdrawing from the region around the hydroelectric power plant Peruca, one of the flashpoints on the Dalmatian battlefront, officer of the Army of the Republic of Serb Krajina Slavko Guzvic said on Monday [3 August]. The Croatian side will withdraw its troops and equipment five kilometers into the territory under its control, with a firm promise that it will no longer fire at Serb positions in the Peruca area, Colonel Guzvic said.

The withdrawal, a part of the third stage of the U.N. peace plan in sector south, is underway also in the area around Biograd Na Moru and near Gospic. However, Guzvic said, the pulling out of Croatian troops there is unfolding very slowly. On the Gospic battlefront, five brigades of the Croatian National Guard are being demobilized and the same process is underway at the airport Zemunik, near the Adriatic town of Zadar.

There are problems on the Miljevac plateau, in Dalmatia's hinterland near Drnis, as Croatian police forces are failing to meet U.N. Security Council Resolution 762 and withdraw from the area, Guzvic added.

'Controversial' Appointment of Panic Evaluated

92BA1236A Zagreb NOVI VJESNIK in Serbo-Croatian 16 Jul 92 p 11

[Article by Stjepan Josipovic: "A Naive Man, a Clown, or an Agent?"—first paragraph is NOVI VJESNIK introduction]

[Text] The Serbian regime "gave" Galenika to Panic so that he would become its agent in the United States; Milosevic personally proposed him as prime minister, but all the agreements were turned upside down after one conversation in Washington.

Zagreb—The controversial American businessman of Serbian origin Milan Panic became the first prime minister of the so-called Federal Republic of Yugoslavia [FRY] on 14 July. He is already a very well-known media figure in Serbia, since the media have been writing a great deal for months now about that owner of the California pharmaceutical firm ICN, and about his business ties with Zemun's Galenika, which they are emphasizing as a particularly successful example of Serbia's ties with the world.

In the generally gloomy state of the economy there, the Serbian media had reason to thank ICN Galenika so much, for two reasons: not just because a Serbian enterprise was flourishing, but also because this happened thanks to a Serb, the American citizen Milan Panic, the owner of the ICN company.

Panic was born on 20 December 1929 in Belgrade, where he was educated. As a Yugoslav bicycling champion, he participated in one race in Western Europe, from which he decided not to return home. In 1955, he began his studies in Heidelberg, and in 1957 he emigrated to California with his family. There he founded the ICN company, back in 1960. After great business successes, he went into business with Galenika, out of patriotic reasons, as the Serbian press claimed, in order to "help his homeland." This present business with Galenika, however, was not his first such business; a few years ago, with the same company, Panic created the joint enterprise Boots, which failed when Panic tried to produce and sell a fake medicine for AIDS through that enterprise. This was not his first attempt to deceive customers. He had a similar scandal when he put a medicine on the market against aging and sclerosis, which turned out not to have any effects. In both cases he paid large fines to the state. He nevertheless remained somewhat in debt to it, however. It has now been discovered that he owes several million dollars in taxes for buying real estate, and that he participated in unclear transactions with a failed bank.

The Serbian regime realized a long time ago that it was essential to win over international factors in order for its hegemonistic policy on the territory of the former Yugoslavia to succeed. Today it is clear to everyone, even in Belgrade, that world policy is created in Washington. That is why from the beginning Belgrade made great efforts to use all available means to influence American policy as strongly as possible. Those who are mainly responsible for Serbian policy realized a long time ago that it is easiest to influence policy if you involve one of the influential people in your own affairs, and convince him through material interests to think that Serbian interests are also his interests. Serbian regimes have been particularly adept in "cultivating" ties with high-level American diplomatic officials; for example, they thus tied to themselves the former U.S. ambassador in Belgrade, Lawrence Eagleburger, now deputy U.S. secretary of state, who received the director's position in the U.S. branch of the Crvena Zastava [Red Flag] company for exporting Yugo automobiles to the United States. It has been the Belgrade regime's practice to make continuous use of large companies with branches abroad to attract and corrupt powerful foreigners.

When the entire "Yugo operation" faced bankruptcy in the United States, it was necessary to find new ways to finance Serbian operations in the United States. One of the companies that served this purpose was Jugopetrol, whose branch in the United States finances significant Serbian propaganda campaigns. Another was Jugolinija,

which used certain business moves to finance the activities of a member of the U.S. Congress of Serbian origin, Helen Delich Bentley, and a third is Galenika.

ICN Galenika was not created because of economic motives, but rather political ones. Milan Panic, a man whose past is undoubtedly not quite clear, was chosen to become an agent of Serbian policy in the United States, and so the Galenika factory was therefore simply "given" to him. Then the transfer of large sums of money through that factory to the United States began, in order to finance the so-called Serbian lobby there. In the past year Panic has been the largest financier of various Serbian political campaigns in the United States. ICN Galenika is financing the well-known American politician Birch Bayh, a former presidential candidate, who is now the main Serbian lobbyist in Washington. It is interesting that ICN Galenika's board of directors also includes John Scanlan, an American diplomat who was the American ambassador in Belgrade toward the end of the 1980's. Other undertakings are also financed through ICN Galenika.

These days, however, Panic has become necessary to Slobodan Milosevic's regime in a different way. Since the Serbian propaganda operation in the United States has mostly failed, and it has become important to Milosevic to conduct a strong propaganda campaign in Serbia itself in order to calm and deceive the increasingly dissatisfied Serbian population, he has now decided to try to deceive them through Panic. Milosevic personally nominated Panic for prime minister of the so-called FRY, attempting in this way to inspire hope in Serbian citizens that this "successful businessman from California" will save the Serbian economy from collapse.

If Panic were a real American businessman, and not an agent of the Serbian regime, he would have smoothly refused the offer and continued to engage in his business, perhaps less successfully than before, since the Serbian regime would certainly have prevented him from continuing to work with Galenika. Panic, however, nevertheless entered the game, but he apparently envisioned the office of prime minister differently than Milosevic. Milosevic expected Panic to rush in, take over the job of prime minister, and thus consolidate and extend Milosevic's position as Serbian "leader." Panic, however, went for consultations in Washington, formally in order to see how he could become prime minister and keep his American citizenship. In Washington, at least according to what Belgrade's BORBA claims, there was a great reversal. The American government, whose first goal is now to overthrow Slobodan Milosevic's regime, because it thinks that with him there will not be any agreement or peace on the territory of the former Yugoslavia, explained to Panic that it was not ready to accomodate him if he intended to become Slobodan Milosevic's lackey. If he would be a prime minister who would overthrow Milosevic, however, then the American government was ready to assist him. After that talk in Washington, BORBA claims, PANIC sent a message to Belgrade that he accepted the mandate, but on one condition: that Milosevic would submit his resignation. If all this is true, then obviously Panic has found some interest that is more important to him than Galenika.

As soon as he left he proved himself to be a man of big words, significant promises, strange, sudden gestures, nervous, and impulsive. At this time people are assessing him completely differently; some people praise him, others think that he is a political clown, and yet others think that he is a naive man. This third opinion is apparently shared by U.S. Secretary of State James Baker, who stated after talking with Panic, "That man has considerable experience in business, but not in politics." That is why Panic at this time is a considerable unknown quantity on the Serbian political scene, and how "heavy" he is will be seen when he comes to his first meeting with Seselj or Milosevic, to whom he sent the message: "If he gets in my way, may God help him." This threat is also causing confusion: "Does he really think that he can remove Milosevic just like that? On what basis does he think this?"

[Box, p 11]

Still an American

Washington, AFP/HINA—Milan Panic, who was appointed prime minister of the "Federal Republic of Yugoslavia" on Tuesday, remains an American, the State Department has announced. Born in Serbia in 1930, Panic emigrated to the United States in the mid-1950's. Settling in California, he started business before he received American citizenship.

The revocation of American citizenship is regulated by the "Document on Immigration and Citizenship." Although cases of the revocation of American citizenship are more frequent for naturalized Americans, especially with respect to those who have committed criminal acts, all citizens can lose their citizenship when they are "serving a foreign government at a high level," stated Joe Snyder, an official representative of the State Department for the news media. Snyder added that cases like Panic's have existed before, and that they have not always lost American citizenship. Emphasizing that the American authorities regulate such issues "on a case by case basis," Snyder stated that the United States had not made "any decision" regarding Panic.

Paraga Claims General Elections Irregular

92BA1258B Split SLOBODNA DALMACIJA in Serbo-Croatian 18 Jul 92 p 9

[Unattributed article: "Manipulation on the Horizon"]

[Text] Zagreb—The incumbent party had better look out, leaders of the Croatian Rights Party [HSP] threatened in a press conference on Friday—because the HSP people are aware of the entire strategy for rigging the upcoming elections, but they do not have the slightest

intention of reconciling themselves to their fate. Dobroslav Paraga, the party's president and presidential candidate, informed newsmen that the HSP had sent an appeal to the American Congress, to the European Parliament, to the National Council for Support of World Democratic Movements, to the parliaments of Canada, Australia, and other democratic countries to come to Croatia and observe the elections. These elections cannot be regular, because there are no control mechanisms, Paraga says. Nowhere in the world are observers shut out when the votes are counted, nowhere do judges and generals run for office on the slates of the incumbent party, and nowhere are minor children abused for political purposes, as in the case of the TV program "Welcome, Friend," with Tudjman and little Jure. The appeal to international institutions to observe the elections was also signed by the Socialist Party of Croatia [SSH], the Croatian Democratic Party [HDS], and the Croatian Christian Democratic Party [HKDS].

In his lengthy commentary "On Villas and Mansions," Paraga said that they only provide support to the opposition's election campaign. From the example of the immoral purchase of Tudjman's villa in Zagreb, the Croatian people can finally discover what kind of man he is, Paraga said, and he stressed that now it is much clearer to him why Tudjman is afraid of facing the opposition in front of TV cameras. Under the same heading, Paraga also expressed certain doubts in connection with Dr. Savka Dabcevic-Kucar. That is, he says that S.D. Kucar had several times invited him to conversations in which she never personally appeared, and they had to do with possible cooperation at the local level during the elections. Paraga said that he did not reject cooperation in principle, but he wanted Mrs. Kucar to sign an agreement that the partners will not enter into any alliances with the HDZ either in the election campaign or afterward. She rejected that, which aroused in Paraga a strong suspicion that some kind of "pact" has already been concluded between the Croatian People's Party [HNS] and the HDZ. Paraga also expressed certain insinuations concerning the villa in Rockefeller Street in Zagreb where Savka lives.

Ante Djapic, vice president of the HSP, had a message for the key officials at Croatian TV that they can pack their bags even now, because the HSP will certainly win the elections. Croatian TV, the most powerful medium, has been the source of numerous accusations against the HSP for alleged extremism, and party meetings, Djapic said, have been marginalized and distorted beneath any standard of journalistic ethics.

Djapic's assessment of the programs and speeches of the election candidates of the HSP is that "now they are all saying what everyone wants to hear," but when the HSP was the first to raise its voice against the UNPROFOR [UN Protective Force], everyone proclaimed it to be an extremist party, and when the HSP was the only one favoring decisive defense of Croatia—there was no one to offer it support.

[Box, p 9]

One of the journalists' questions was whether the right and the left agree? Paraga replied that the HSP has good relations with the Socialist Party. The "Rightists" have never quarreled with Racan's people, because Racan, according to Paraga, was right when he said that the Reformers are with him, and the Communists with the HDZ. "We like the left," Paraga says, "and we wish it all the best in the upcoming elections. We only would not like to see the Liberals win."

[Box, p 9]

Zvonimir Hodak, a lawyer for the HSP, informed the newsmen about the fate of several court trials being conducted against members of the HSP. He said that the other day the Croatian Supreme Court overturned the verdict against Bosko Landek, the chief of Paraga's personal security team, who last year, following an incredible campaign, was sentenced to one year in prison. Hodak recently received in complete silence the report that the Prosecutor's Office is giving up the criminal prosecution of the Toths, a married couple first charged with high treason, and then with larceny.

Property Law Amendment Results Discussed

92BA1258A Zagreb VECERNJI LIST in Serbo-Croatian 1 Jul 92 p 3

[Article by D. Knezevic: "A Provision for Statization"]

[Text] Zagreb—The government has done what the Assembly could not do. That is, literally overnight, in a late-evening session on 25 June, it managed to amend the Social Property Law on Transformation by issuing a decree to that effect. The decree contains a number of details whose importance is almost technical, because the deadline for independent transformation expired on 30 June, but also certain key innovations, one of which is certainly the deletion of Article 30 from the present Law on Transformation.

Article 30 prescribed that the Croatian Fund for Development would share in decisionmaking in a joint-stock company and limited liability company "only concerning adoption and amendment of the charter, the company's division, merger, takeover, or termination, and also increasing or reducing authorized capital." The article's second paragraph stated that the fund could withdraw only 5 percent from the annual profit based on the shares it owned, and that it must reinvest the rest in the enterprise where the profit was realized. So much for refreshing our memories, and the reader will perhaps recall that VECERNJI LIST also wrote about the proposal of certain deputies in the Assembly from the ranks of the HDZ [Croatian Democratic Community] that that article be eliminated from the Law on Transformation. There was also discussion of that in a meeting of the HDZ parliamentary caucus behind closed doors, and after that the proposal was removed from the agenda of the Assembly session. It has now passed in the form of a

decree adopted in a session of the government, this time proposed by the Agency for Restructuring and Development. The press release from that meeting says that "the Croatian Fund for Development has finally been put on a par with other shareholders in its rights and obligations."

What this means more or less is that the fund will have the right of management in newly transformed enterprises in proportion to its share as an owner. That is, the limits on that institution's authority are no longer bounded as they have been up to now, and because most of the shares will be owned by the fund, as a practical matter it will have the last say in managing the economy. This is nothing new to those directly affected, that is, those employed in enterprises which have been transformed by this campaign. This has merely brought the process of statization of the economy to its end point. The only inaccurate thing is the interpretation that the fund has thereby been put on a par with other shareholders, because the other shareholders will pay (once again) for their share what the fund gets them. By a stroke of the pen, the fund has actually become the biggest boss of the Croatian economy.

Why was this done? In principle, the proponent said, to speed up the process of privatization and to facilitate the restructuring of the economy. And that same justification can be fittingly applied to revoking the provision on mandatory reinvestment of the profit, whereby the share of the fund in joint-stock companies really would increase automatically. However, broadening the decisionmaking rights of the fund in the enterprises requires additional explanations. Did this follow from the belief that the state is more effective than the other owners in running the economy? Is it an expression of the view that all the rest are "getting fat" on the national wealth, and only the government can save it?

Differing opinions were heard when the decision was made on the Decree to Amend and Supplement the Law on Transformation of Socially Owned Enterprises. Dr. Stjepan Zdunic, minister for economic development, had his position recorded separately. According to him, a decree ought not to amend any provision of a law so as to change its essence, and that is the case with Article 30. He feels that this should not have been done so long as there is no market for capital, and the development of such a market is not possible unless accumulation is decentralized. Dr. Zdunic reminded his colleagues that Article 30 was adopted at that time as a compromise solution, precisely in order to reject reproaches that the Law on Transformation would result in statization of socially owned property.

Now, then, nothing is left of that compromise solution, and the situation is really completely clear. Socially owned property has largely undergone statization. The incumbent party has never openly said that this was its intention, and it remains unclear why this was done (or permitted) on the eve of the election, when many who take the opposing view will use this as a bait to attract voters.

Trade Minister's Resignation Discussed

92BA1259A Ljubljana DELO in Slovene
23 Jul 92 p 3

[Article by Vinko Vasle: "Will Dr. Janez Drnovsek Replace Dusan Sesok?"—first paragraph is DELO introduction]

[Text] Dr. Bozidar Voljc is allegedly also threatening to resign; Jeraj's resignation surprised the People's Party.

Ljubljana, 22 Jul—The parliamentary commission for elections, appointments, and administrative affairs, at today's meeting, took note of the resignation of Minister of Trade Joze Jeraj.

Minister Joze Jeraj wrote his resignation statement yesterday, and in it he informed Prime Minister Janez Drnovsek that "because he was taking new job duties he was resigning from his position as a member of the government and the minister of trade." Before taking the ministerial post, Joze Jeraj had performed similar tasks as a member of the Ljubljana, i.e., city government. Even at the time of Peterle's proposal for his appointment as minister of trade, one could hear numerous criticisms and doubts at his expense. When Janez Drnovsek put together his cabinet, one could hear that he also wanted a new trade minister. At that time, Drnovsek did not find a successor for Jeraj, and, according to circles close to the government, he agreed to a temporary solution, i.e., to Jeraj. Fourteen days after the election of the new government, there was already talk in parliament about how Drnovsek would replace Joze Jeraj, but except for a general public statement that changes in the government were possible, Drnovsek did not talk about names.

As we have learned, the prime minister has been seeking a new name for minister of trade this whole time, and the "negotiations" with Jeraj were long and rather painful, since Jeraj is supposed to have insisted that Drnovsek dismiss him. The minister agreed to a voluntary resignation only after he was satisfied with a new offer. He is thus supposed to begin a new job at the Slovene consulate general in Celovec. Drnovsek is proposing to the parliament that for the new trade minister it elect Davorja Valentincic, who has been serving as president of the executive council of the Ljubljana Vic-Kodnik opstina for the last two years.

The Slovene People's Party received Jeraj's resignation with surprise. Marjan Podobnik said at a press conference that Jeraj is a "principled man, who also tried in this government to carry out the program that he had already advocated in Peterle's." He obviously thought that the disagreements were such that he could no longer work in Drnovsek's government. The People's Party thinks that this resignation will have a major effect not only on trade, reserves policy, and agriculture, but also on the professionalism and competence of the present government. The party thinks that this is a great loss for it, since a minister who was a great ally of the farmers has resigned.

[Box, p 3]

We also found out today from circles close to the government that Janez Drnovsek is soon to propose the replacement of Minister of Industry (and Finance Minister in Peterle's government) Dusan Sesok, and Dr. Bozidar Voljc is also threatening to resign from his ministerial position, because he does not agree with the proposed decrees in compensation for maternity leaves, and because he thinks that, within the framework of revaluation of the budget, the government is being too generous in planning to use health-care money for other purposes.

[Box, p 3]

The commission for elections and appointments agreed today with the dismissal of Deputy Minister of Agriculture Marija Markes, who is leaving at her own request for professional postgraduate studies in Vienna. The commission also agreed with the assembly's appointment of Dr. Matije Gogal as director of the Natural Science Museum, and of Janez Bizjak as director of the Triglav National Park.

Assembly Approves Six New Ambassadors

92BA1264B Ljubljana DELO in Slovene
22 Jul 92 p 7

[Article by Darijan Kosir: "Another Six Have Been Put to the Test in the Commission"]

[Text] Ljubljana, 21 Jul—The assembly's commission for international relations, at a hearing last week, approved the government's proposal to appoint ambassadors in Zagreb (Matija Malesic) and Brussels (Boris Cizelj), and it rejected the proposal for Leo Seserko as ambassador in Paris. Then, at today's "hearing," it approved the appointment of ambassadors at the UN mission in New York (Danilo Turk), in Sweden (Ivo Vajgl), in Czechoslovakia (Zvone Dragan), and in Canada (Marjan Majcen). We have heard that Seserko is supposed to get one more opportunity before the commission again soon.

From today on, Slovenia thus has official candidates for 15 ambassadors already. Katja Boh (Vienna), Andrej Novak (Strasbourg), Marko Kosin (Rome), Anton Debler (the UN mission in Geneva), Matjaz Sinkovec (London), Ernest Petric (Washington), Boris Frico (Bonn), Ference Hajos (Budapest), and Stefan Palez (the Holy See), who have already gone through all phases of the proceedings (proposal from the ministry, support from the government, evaluation by the commission, decision by the Presidency), have also been joined by the above-mentioned six. To a considerable extent Slovenia has thus planned its future foreign policy network; in the coming months, as we heard at one of the recent commission meetings, embassies in Canberra, Buenos Aires, Beijing, and Cairo will also begin operation, and ambassadors in Paris and Moscow should also be appointed soon.

Let us take a brief look at some basic information on the ambassadors who were confirmed in the latest hearings.

Dr. Danilo Turk, Slovenia's future ambassador to the UN in New York, is among Slovenia's best experts on international law. He dealt specifically with foreign policy first of all at the UN in Geneva, and recently in the discussions about succession to the SFRY in Brussels, although he was employed at the Law School as a lecturer on international law. His departure for New York, where he will replace former ministerial emissary Ignac Golob, is a great gain for Slovene diplomacy and at the same time a great loss for the profession at home.

Matija Malesic, Slovenia's ambassador in Croatia, was appointed to that position somewhat surprisingly. In the previous Slovene Government, in fact, he was the deputy prime minister for public services, and he encountered Slovene-Croatian relations, which have recently been at a very low level, primarily with respect to the issue of refugees.

Ivo Vajgl, the ambassador in Sweden (in Scandinavia), was already planned previously in various combinations to be a Slovene ambassador, primarily in Belgrade, where he worked before his return to Ljubljana as the press representative for the federal foreign ministry (Loncar's), and in Israel, where he has also created numerous contacts with that state. Vajgl was employed at the Foreign Ministry until now as its press representative.

Zvone Dragan, the Slovene ambassador in Prague (Czechoslovakia), is known primarily for having been at one time the deputy federal prime minister and afterward the Yugoslav ambassador in China. It could have been foreseen that in the Slovene diplomatic service he would also be a candidate for that position, and thus it is also somewhat surprising that he ended up in Prague. He was recently employed at the Foreign Ministry in the section for Western states as the head of the section.

Boris Cizelj, the ambassador to the EC and to Brussels, is an experienced diplomat. For four years he was the SFRY ambassador in Australia, and after his return he worked at the Foreign Ministry in the area of emigre problems. The Ministry selected him as head of the mission in Brussels primarily because of the approaching discussions about succession to the SFRY and for relations with the EC, but at the same time he will also "cover" Belgium.

Marjan Majcen, the ambassador in Ottawa, was the Yugoslav consul general in Celovec for four years. He is a Christian Democrat and has very good relations with former Prime Minister Peterle, who tried several times in the past to accomodate his desire to become a Slovene ambassador in North America. Since he was not suitable for professional reasons as the head of the UN mission in New York, and he did not want a consulate general, in the end a compromise was found for him in the form of the embassy in Ottawa.

Federal

Panic Hails Arrest of Paramilitary 'Terrorists'

LD0408002492 Belgrade TANJUG Domestic Service in Serbo-Croatian 2224 GMT 3 Aug 92

[Text] Belgrade, 3 Aug (TANJUG)—Radovan Karadzic, leader of the Bosnian Serbs, informed Milan Panic, prime minister of the Yugoslav Government, this evening that the military authorities of the Serbian Republic of Bosnia-Hercegovina in Bijeljina have arrested 70 members of paramilitary forces, announced Panic's office.

In line with this, Panic made a statement this evening in which he assessed that this was "the first concrete step taken to halt the conflict in this war zone." The Yugoslav premier stressed that this action represents the application of the agreement reached in London a few days ago with the leaders of all three warring sides in Bosnia-Hercegovina. "We agreed then that each side should arrest and severely sentence terrorists," Panic said and added that he "expects that the other two sides will take similar steps to arrest and sentence the terrorists of their own nationalities."

Prime Minister Receives CSCE Delegation

LD0308161792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1416 GMT 3 Aug 92

[Text] Belgrade, 3 Aug (TANJUG)—Yugoslav Prime Minister Milan Panic today received a six-member CSCE mission headed by Janaf Sillen, the Swedish ambassador to the Netherlands. They exchanged opinions and suggestions concerning cooperation between the Federal Republic of Yugoslavia and the CSCE in the sphere of human and minorities rights. During the talks, in which Momcilo Grubac, the Yugoslav minister for human and minorities rights, participated, the prime minister informed the mission members about the government's intentions and policy in the sphere of human and minorities rights.

The the CSCE research mission mandate is to prepare recommendations concerning CSCE missions for the promotion of peace, the prevention of violence, and respect for human rights for the CSCE Committee of High Officials.

During its stay in Yugoslavia, the mission will visit Kosovo, Vojvodina, and Sandzak, while in Belgrade it will make contacts with other leading officials of the Federal Republic of Yugoslavia and the Republic of Serbia.

Panic To Head Committee To Cooperate With UN

LD0308141392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1318 GMT 3 Aug 92

[Text] Belgrade, 3 Aug (TANJUG)—By a decision of the Federal Government, Prime Minister Milan Panic was today appointed chairman of the Federal Government's committee for cooperation with the UN peace forces, the Federal Ministry of Information announced today.

Radoje Kontic, vice premier of the Federal Government, was appointed deputy chairman of the committee, and Mile Pesut was appointed secretary, the position he held in the former state committee.

In addition, the Federal Government appointed seven committee members: Pavle Bulatovic, federal minister of internal affairs; Major General Slavko Jovic, a colonel from the Army General Staff; Branko Cadjo; Dusan Trifunovic from the Federal Ministry of Foreign Affairs; Bogoljub Milosavljevic from the Federal Ministry of Justice; Mladen Skobalj from the Federal Ministry of Labor, Health and Social Policy; and Branislav Nikolic from the Federal Ministry of Transport.

The committee's task, as specified by the decision on its formation, is to provide the necessary conditions and preconditions for an efficient involvement of the UN peace forces, as well as to coordinate the work of federal and other relevant bodies and communities in that sphere. In addition, the committee will cooperate with UN peace forces representatives and with relevant bodies and institutions on the territories in which the UN peace forces are engaged.

Diplomat Warns Against Arms Supplies to Bosnia

TA0108110992 Ankara ANATOLIA in English 0955 GMT 1 Aug 92

[Text] Ankara, July 31 (A.A)—A diplomat from the rump Yugoslav Federation of Serbia and Montenegro said here on Friday [31 July] that the Belgrade government was prepared to recognize all the former Yugoslav Republics provided the rights of their Serbian populations are recognized.

Charge d'affaires Bojan Bugargic also said that if Turkey supplied arms to Bosnia-Hercegovina it would produce dangerous results.

Bosnia's Deputy President, Ejub Ganic, paid a surprise visit to Ankara earlier this week to seek renewed Turkish support.

He also asked Turkey for weapons so that Bosnia's Moslems could defend themselves against Serbian attacks if the fighting in the strife-torn republic continues.

Bosnia also plans to ask the United Nations to exclude it from the current weapons and oil embargo against Yugoslavia so Bosnia can import weapons.

Bugargic told AA that Bosnia's exclusion from the arms embargo could lead to all out war. The charge d'affaires said Belgrade understood Turkish sensitivity because of Ankara's close ties with Bosnia. But he warned that if Ankara took on the role of patron of the Moslems of the

Balkans and supplied arms to the Moslems of Bosnia it would also be highly dangerous for Turkey itself.

"For us, supplying arms to Moslems in Bosnia-Hercegovina would be the worst solution to be sought," he said.

"For us, the best solution should be sought through political channels," he added.

Indicating that Yugoslavia was trying to establish a lasting cease-fire in Bosnia and was stripping the country of arms under United Nations supervision, Bugargic called for similar pressure to be put on Bosnia's Serbs, Croatians and Moslems.

He agreed however that the plight of Bosnia's Moslems was more difficult than that of the other ethnic groups and said more pressure was needed on the Serb population which is better armed.

The Yugoslav diplomat said Yugoslavia had no intention of seizing Bosnian territory and underlined that Belgrade was prepared to recognize all the former Yugoslav Republics provided that the rights of Serbs living there are recognized.

Bugargic said relations between Turkey and Yugoslavia continued, if in a somewhat reduced form because of the U.N. embargo.

Turkey has not yet recognised the rump Yugoslav state.

"Turkey and Yugoslavia are important neighbors for each other. We have strong historical and geographical ties between us. We are therefore convinced that the dull period in relations will not be permanent," he said.

Deputy Prime Minister Comments on UN Sanctions

AU0308181892 Pristina TVP Television Network in Serbo-Croatian 1730 GMT 2 Aug 92

[Interview with Deputy Federal Prime Minister Radivoje Kontic by Ida Mitrovic; date and place not given—recorded]

[Text] [Mitrovic] What are the positions of the Federal Government and yourself, respectively, on how the sanctions can last?

[Kontic] Your question has two parts: One is long term and the other short term. If this question implies that immediately after the sanctions are lifted the situation will be the same as before, then my reply will be disappointing. This is due to at least two reasons. One is because I think the sanctions will not be lifted all at once but over a certain period of time, gradually, and the second reason is because I am convinced that once the sanctions are finally lifted, nothing will be the way it was before. On the contrary, I think we will need to work very hard, and we will need many months and years to reestablish the lost business relations with the international world market. Furthermore, I think we will not even be able to reestablish some links at all.

There are enough agricultural food supplies to meet consumption needs for this economic year. Nevertheless, I would stress that we must not deceive ourselves in this regard because this production is based on conditions existing before the sanctions. If this production were be based on conditions under the present sanctions, then it would certainly be vastly less than the present production.

The fuel supply situation is much more serious. I must say that domestic production can meet one-fourth to one-fifth of our needs in liquid and gas fuels. Therefore, we must turn our attention to substitute products or cutbacks. You have seen this restrictive approach yourself, but I must say that if the sanctions continue, then new restrictions will have to be imposed.

Of course, when it comes to industrial production, partly because of fuel and partly because of raw materials and semi-finished goods, the situation is also serious. Most industrial branches can continue production for a month or two or perhaps three, after which, in my view, production will cease, that is, it will collapse.

Finally, in the health sector, we have quite a difficult situation with supplies of medicines and medical and hygiene materials, but fortunately the sanctions are looser in this area. In the government we are not assessing [ne procenjujemo] what resources are necessary to meet our needs until the end of the current year [sentence as heard]. Our estimate is that this figure is $120 million to $130 million.

Of course, we can draw three conclusions: One, the sanctions have had a very great effect on production and market supplies and this will continue. Second, we should not deceive ourselves that we can live with the sanctions. The illusion that some sectors are (?affected) differently by the sanctions is only seen in the short term. In the long run, each of these sectors will collapse sooner or later.

Finally, the last conclusion, which seems very important to me, is that it is essential—and the most important task of the Federal Government—for us to take the most energetic measures to ensure that the sanctions are lifted. This is the only way out of the situation in which we find ourselves.

[Mitrovic] How long do you think the sanctions will last?

[Kontic] I would not dare forecast how long they will last. It depends to a considerable extent on how much our prime minister can secure understanding of our position among the world leaders, and it of course depends on how the new economic world order will look at all this. It depends, above all, on the extent to which we will meet the conditions that have been established in the UN Resolution 757 and how quickly.

Cosic Interviewed on Need for Early Elections

LD0408074492 Belgrade TANJUG in English 0228 GMT 4 Aug 92

[Text] Belgrade, Aug 4 (TANJUG)—Early elections in Yugoslavia may bring about a radical change in the whole structure of power as of this autumn, Yugoslav President Dobrica Cosic said in an interview to the Belgrade daily VECERNJE NOVOSTI.

In the interview, to be published on Tuesday [4 August], Cosic expressed hope that the parliament would adopt his proposal for the holding of early federal elections in the second half of November.

On April 27, the Republics of Serbia and Montenegro proclaimed the Federal Republic of Yugoslavia to keep up the continuity of the former Yugoslav federation.

With the elections, all parties and their leaders will take up their real positions, Cosic said. Cosic believes that the future regime will not be the rule of one party. The forthcoming period will be marked by coalition governments and a higher level of pluralism, he underscored.

Commenting on the opposition, Cosic said that he saw some opposition parties as the driving force of the society. The current authorities have done nothing tangible in lending support to the efforts of the democratic, progressive, and principled opposition, he said.

Cosic described the motto "All Serbs in One State" as unrealistic and out-of-date. The democratic aspiration of the Serb nation to achieve the union of Serbs should not be expressed in an ethnocratic formula today. But, Serbs should exercise their right to self-determination as it has been done by the Croats, Slovenes, Macedonians and Muslims, he said. A union by solely political and peaceable means will remain a long-term goal for Serbs, Cosic said.

Minister Views Elections, Amnesty for Conscripts

LD0308192992 Belgrade TANJUG in English 1835 GMT 3 Aug 92

[Text] Belgrade, August 3 (TANJUG)—The Yugoslav Government has prepared a package of measures, including the early elections in Yugoslavia by the end of the year, amnesty for military conscripts and formation of three new judicial bodies, Yugoslav Justice Minister Tibor Varadi told a news conference on Monday [3 August].

Varadi said the early elections did not mean that the previous ones were irregular. The new elections are prompted by the irregular situation in the country, he added.

Varadi said the government would pardon all military conscripts of the former Yugoslav Army who have dodged the mobilization during the war for defence of Serbs in the former Yugoslav Republic of Croatia. The law will also pardon those who joined the ranks of paramilitary formations on this or that side, but committed no crimes, the justice minister added.

However, he said, those who have dodged the conscription and then joined the enemy side would be exempted from the amnesty.

Varadi said scores of thousands of men, most of them highly qualified young people, could return to Yugoslavia without fear.

The Federal Government on Monday submitted under summary proceedings the draft Law on Amnesty to the Yugoslav Parliament.

According to figures released by the Yugoslav Defence Ministry on January 1, proceedings have been instituted against 3,784 men who dodged the military service, escaped the conscript[illegible] or fled from the Army. Of the overall figure, 3,09[illegible] itizens of the former Yugoslav republics.

In the same perio[illegible] rts have been filed but not resolved against another 5,497 people, 5,189 of whom are citizens of the former Yugoslav republics.

Roles of Kecmanovic, Pejanovic in Bosnia Viewed

92BA1236C Belgrade NIN in Serbo-Croatian 17 Jul 92 pp 22-23

[Article by Lidija Soldo: "Secret of the Great Escape"—first paragraph is NIN introduction]

[Text] "Nenad Kecmanovic's visit to Belgrade was used for a talk with Panic. All the other observations, including the one about Nenad's flight and my attempt to escape, are part of the media war and in the service of the real war," says Dr. Mirko Pejanovic.

The sudden departure from Sarajevo of Prof. Nenad Kecmanovic, member of the Presidency of Bosnia-Hercegovina, his visit to Belgrade, and his two-day detention in Pale, were accompanied by the atmosphere of a spectacle, which is not so unusual with respect to the leader of the Bosnian Reformists. This time a considerable part of the credit was due to reporters from Pale, but also to Belgrade TV, which announced on the same day that Nenad Kecmanovic, "a Serb by name, who is well-known as an English spy, escaped from Sarajevo, and submitted an irrevocable resignation, with the explanation that he would personally inform the public about this at a press conference."

Instead of the announced press conference and an explanation about his flight, there was an "exclusive" interview in BORBA, in which Prof. Kecmanovic claimed that he had come to Belgrade for a private visit, and "that the talks with Panic and Cosic were only the result of interest in events in Bosnia-Hercegovina." Later in the interview, Kecmanovic, answering questions about a possible return to Sarajevo, said that he really did not

know, since he realized that he did not have any influence at all on Bosnian events. The same evening after the published interview, in a direct telephone contact with the editor of Sarajevo TV's broadcast "Others About Us," Prof. Kecmanovic denied all the statements in this interview, claiming that he had never given any consent to talk for the public, and that the statements had been invented and 90-percent untrue. "My family is still in Sarajevo," Kecmanovic claimed that night, also denying in the same broadcast any possible escape from Sarajevo. He confirmed to Sarajevo TV's viewers the BH-Press report that he had come to Belgrade on orders from the Presidency of Bosnia-Hercegovina, also disputing the accuracy of the published news that Prof. Mirko Pejanovic, also a member of the Presidency of Bosnia-Hercegovina, had intended to escape from Sarajevo but had been thwarted in that attempt.

The controversial interpretations and explanations that started a month ago with the promotion of Prof. Kecmanovic and Pejanovic to the Presidency of Bosnia-Hercegovina have thus been continued. Recruited from part of the opposition parliamentary bloc on the Bosnia-Hercegovina political scene, ever since his election he has been the subject of different and conflicting reactions. For the approximately 100,000 Sarajevo Serbs, "forgotten" by their compatriots in the neighboring hills and the victims of shells from Karadzic's gunners, on one hand, and for the increasingly more extremist and vengeful Muslim and Croatian fighters, on the other, Kecmanovic's and Pejanovic's consent to participate in the work of the collective head of state meant an act of encouragement.

Some people saw their election as the beginning of the end of the ruling national troika, which is chiefly responsible for the war and the sufferings in this republic. Those familiar with the Bosnia-Hercegovina situation, however, warned that the national parties would not voluntarily abdicate in favor of the opposition, and there was not much faith in the agreement by Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, to fulfill the conditions that the opposition set before him. It is undeniable that such considerations were also not foreign to the political experience of Dr. Nenad Kecmanovic and Mirko Pejanovic, and that is why it is being assumed that they would not have agreed to such a "risky role" without reliable guarantees. It has been speculated that they came from abroad (from America), but also that this promotion was agreed to by the authorities in Belgrade. Few people believed the official explanations.

War Propaganda

In response to all of these suspicions, Prof. Mirko Pejanovic told NIN that it was the work of "war propaganda, which does not spare any means to achieve its goal."

"Prof. Kecmanovic and I joined the Presidency of the Republic of Bosnia-Hercegovina in a war situation. Our motives for involvement in the Presidency are known to the public: to stop the war in Bosnia-Hercegovina and create the prerequisites for the citizens and peoples to live in peace. All those who are achieving their political goals by force were not and cannot be satisfied with our explanation of our reasons for joining the Presidency. The opposition civil parties (the Party of Reformists and the Democratic Civil Party), whose candidates we were in the elections, are basing this program orientation on the idea of a parliamentary civil democracy and the idea of coexistence and the national equality of Muslims, Serbs, and Croats as constituent peoples in Bosnia-Hercegovina."

Prof. Pejanovic told us that they had not asked anyone for any guarantees for joining the Presidency of Bosnia-Hercegovina. According to Pejanovic, the only guarantee is in a political option and the conditions that they set for joining the Presidency: a temporary solution, a new government, consensus in decisionmaking, Izetbegovic's suspension of his party office.

Prof. Pejanovic characterized the media attention that accompanied Kecmanovic's trip to Belgrade as the work of war propaganda.

"The public is aware that the prime minister of the Federal Republic of Yugoslavia, Mr. Panic, sent a letter to Mr. Izetbegovic, the president of the Presidency of Bosnia-Hercegovina, in which he stated that he wanted to talk about ending the war and resolving the crisis in Bosnia-Hercegovina. The president of the Presidency of Bosnia-Hercegovina responded positively to that letter. In connection with this came my and Kecmanovic's initiative, in a talk with Mr. Izetbegovic, regarding the need for a meeting with Panic and all factors in Belgrade who could and wanted to contribute to ending the war and the unprecedented human sufferings in Bosnia-Hercegovina. Kecmanovic's visit to Belgrade was used for a talk with Panic, but also for other talks. All the other observations, including the one about Nenad's flight and my attempt to escape, are part of the media war in the service of the real war."

It is not unknown that Radovan Karadzic, the leader of the Serbian Democratic Party, has called Kecmanovic and Pejanovic "Alija Izetbegovic's private Serbs." The fact is, however, that these two leaders joined the Presidency of Bosnia-Hercegovina as representatives of the Serbian people and that this election was undeniably legal according to the valid constitution of Bosnia-Hercegovina, because Kecmanovic and Pejanovic were in third and fourth place on the list immediately before the first democratic elections in Bosnia-Hercegovina.

Civil Bosnia

The dilemma remains, however, over how much of the Serbian people in Bosnia-Hercegovina would align itself with them, i.e., with an independent Bosnia-Hercegovina. Prof. Pejanovic does not have an answer to this himself. Acknowledging that he joined the Presidency as a member of the Serbian people, but not as a

representative of the Serbs in Bosnia-Hercegovina, Pejanovic claims that he feels "equal responsibility for all three peoples in Bosnia-Hercegovina."

At the initiative of Prof. Mirko Pejanovic and Dr. Nenad Kecmanovic, the Presidency of Bosnia-Hercegovina adopted a "Platform on the Future Order of Bosnia-Hercegovina." In Pejanovic's opinion, it is the greatest success in the course of his one-month rule.

"This document contains the basic program ideas of the political option with which we joined the Presidency. It is a civil political option. That option, however, does not exclude—on the contrary, it contains—an answer to the question of the national interest and the national equality of the three constituent peoples, Croats, Muslims, and Serbs. It is an attempt to create a historic formula for a balance in interethnic relations in Bosnia-Hercegovina. That formula consists of introducing a Council of Peoples into the constitutional system, then the principle of consensus in decisionmaking in the Council of Peoples and the Presidency, and then introducing the principle of parity in forming joint state institutions. From the standpoint of European experiences, the possibility of developing local self-government and regional autonomy is introduced, on a very broad basis. Regionalization is based on the well-known European experiences, which also include ethnic criteria. It is essential that regionalization not be based on an ethnic partition, and that it not jeopardize the unified system for the functioning of the republic authorities."

Prof. Mirko Pejanovic thinks that the model of a civil republic is the only one that allows individual freedoms, but also the protection of national equality. Pejanovic is one of those who think that the only solution for a way out of the crisis is for the ruling national parties to leave the political scene. The question is only how realistic this departure currently is.

Alija's Stubbornness

It seems that reality and the everyday life of the Bosnia-Hercegovina war do not leave much hope that the civil model will go into effect soon. The results of this Presidency after one month nevertheless suggest the conclusion that everything will stay "attempts to create the prerequisites for peaceful life." The fact is that the demands that Pejanovic and Kecmanovic set the Presidency have formally been met. The republic government has been restructured, but with one vote against (Kecmanovic) and two abstentions (Pejanovic and Fikret Abdic), the opposition's demands cannot be considered fulfilled. Many people are particularly dissatisfied with the fact that a large number of ministers are left from the old government, as well as with the completely disrupted national balance in the distribution of ministerial posts in favor of Muslims and Croats. The Platform that has been adopted unfortunately has proven to be only a theoretical model, but not feasible in the Bosnia-Hercegovina state, which is completely divided and in the grip of war. The declaration of a state of war and the general mobilization, without representatives Kecmanovic and Pejanovic, indicated that Izetbegovic's self-willed leadership of the Bosnia-Hercegovina state still remains the practice, and the military and political pact with Croatian President Franjo Tudjman, which Pejanovic claims "was not even a subject of discussion and decisionmaking in the Presidency of Bosnia-Hercegovina," only supports these assertions.

Control of the Artillery

And in connection with the declaration of the state community of Herceg-Bosna, Pejanovic says:

"The declaration of the state community of Herceg-Bosna is the conclusion of the political partition of Bosnia-Hercegovina on a national basis, and actually on the basis of ethnic cantonization by the HDZ [Croatian Democratic Community] as well. At this time, when the war has spread to the entire territory of Bosnia-Hercegovina, the declaration of Herceg-Bosna complicates the entire situation. Although the Bosnian Croats opposed Boban's Herceg-Bosna on a fairly wide scale, it essentially means an attempt to legalize the cantonization of Bosnia-Hercegovina. The Croatian approach differs from that of the SDS only in recognition of the sovereignty and independence of Bosnia-Hercegovina, and in the fact that the canton or state community is inside Bosnia-Hercegovina. With this decision, Bosnia-Hercegovina has gained two new provincial capitals in addition to Sarajevo: Pale and Grude. The Grude one, with assistance from Croatia, has shifted from the defense of Mostar to an offensive in eastern Hercegovina. If it is not stopped, it will bring Croatia sanctions as a dowry, just as Karadzic brought them to Serbia. The Sarajevo capital, along with international recognition, has the role of the center of the civil option. Perhaps with Grude the front for the civil option will be fully cleared up and consolidated."

What urgent measures are planned to be undertaken to stop the war, the massacre, the emigration of the population?

"All measures that lead to stopping the war and people's suffering come into consideration. The most urgent measures are stopping combat operations, establishing a ceasefire, and supplying and feeding the population. If UNPROFOR [UN Protective Forces] control were to be established over the heavy weapons in the vicinity of Sarajevo, that would contribute significantly to consolidating a ceasefire. Otherwise, only international military intervention can stop the Bosnia-Hercegovina tragedy. The aggression has to be stopped, because it is in the interest of all the peoples of Bosnia-Hercegovina."

Army Paper Predicts 'Dark Days Ahead'

92BA1258D Belgrade VOJSKA in Serbo-Croatian 16 Jul 92 p 13

[Article by Petar Damjanov: "BLACK"]

[Text] There are dark days ahead for us. The bogeyman of the apocalypse is haunting Yugoslavia. Visions of various catastrophes seem to be pouring in from all sides. Those who think that the worst is over, we are threatened, are mistaken. No, the worst is yet to come. Yugoslavia must be ready for an attack by NATO forces in July or August, states one of the possible scenarios, which came from "confidential sources" in "well-informed circles," concerning the present situation on our soil and the events to come. The pretext for the attack will, of course, be Serbia's support of the Serbian population within the borders of Croatia and Bosnia-Hercegovina. First, they will resort to constant air attacks on the krajinas in Croatia and Bosnia and then on Serbia, including Belgrade. The primary objectives of the attacks, according to those sources, will be military and industrial installations, communications centers, highways, bridges, and airports. The planes will take off from the Mediterranean and central Europe. Croatian and Bosnian paramilitary formations will also take part in the attacks in order to capture territory now held by the Serbs. A coordinated rebellion in Kosmet and Vojvodina could bring Albania and Hungary into the conflicts.

But that is not all. A few weeks later, the "well-informed" say, there will be a "campaign with armored cars" through the plains of Slavonia and Vojvodina, and that will secure the Danube River and the approach to Belgrade. The ultimate goal would be reestablishment of secure land and river routes in the Balkans between Europe and the Near East, between the Mediterranean and the Black Sea, and all of this in order to impose the so-called new world order, that "utopian Nazi concept," derived, some of these authoritative "students of history" are ready to swear, directly from Hitler's speeches.

The situation has, of course, taken an unfavorable turn for us, as more serious analysts of our everyday life will agree, and the accusations and complaints are becoming more fierce to the effect that everyone hates the Serbs and no one understands their embittered struggle against resurgent fascism and that Europe is hypocritical, Germany fascist, France ungrateful, and so on, so that elements of mass paranoia and xenophobia are being instilled into the general climate of anxiety and confusion, according to the conclusion of Dr. Djoko Tripkovic, historian. But, developing the thought a bit further, the researcher into contemporary history will note that the basis certainly exists for the assertions that Serbia and the Serbs have a fair number of traditional (historical) enemies, that they are all operating more or less from those same positions in the current Yugoslav crisis, that an atmosphere of Serbophobia has again taken hold with their publics, but that things are not that simple, nor is the devil as black as he seems and as he is painted. Experiences from the past, on the contrary, suggest coolheaded conclusions and behavior free of oversimplification and generalization, historical superficiality, and irresponsible acts; this is what those who hold that "life is the teacher" will assure us, and it is up to us whether we want to accept this or not (and it is better if we do).

Nevertheless, there is also something worse than the worst, and that is if no one attacks us. It is difficult to think about what will happen to us then, because there is no enemy that can make our life as bitter as we can ourselves. Everywhere in history there have been cases where the disunited, quarreling, divided, frightened, and dependent have easily fallen prey to the stronger, united, resolute, persistent people ready for anything. And vice versa, of course. Serbia resisted the ultimatums of Austro-Hungary in 1906 (out of a desire for economic independence and development of economic relations with England, France, and Russia) and in 1914 (because the "crime in Sarajevo was planned in Belgrade"; any similarity to the accusations today is purely accidental, of course); Montenegro did not bow down even to Napoleon's threats ("Their Emperor Bonaparte was so angry that he said that not only would he put us to the fire and the sword, but he would even set fire to our hills and mountains! And he threatened that it would no longer bear the name Montenegro (Black Mountain), but Monterosso (Red Mountain), from the blood of its sons!") nor the dictates of the omnipotent pashas, shahs, and sultans ("I, Sultan Mustafa emir, brother of the Sun and kinsman of the Moon, servant of the most glorious empires and regions; I, sultan, son of sultans, khan, son of khans, shah and possessor of two parts of the world and of two seas, will pray to the great Allah, both today and in the future, always, I will say: Since the Montenegrins and Hillspeople, having made a mistake and come under the wing of my empire, have been the cause of bad thoughts disturbing the peace and the world order, and therefore I order that three pashas from three vilajets with a great number of alajbegs take 100 heads for one, 100 wounds for one, 100 captured for one; wherever the army goes, let no trace remain of their houses in which they live like birds on the bare stone, let their ants die in the grass, and their hearths be scattered...," and so on and so forth); just as in the rebellious year of 1941, the torches of freedom were not extinguished in the face of the senseless reprisals of the occupiers on the basis of "100 to one." But to whatever extent they occurred (all those ultimatums, threats, and reprisals) as the result of desires for conquest and the interests of the great powers, they were equally the fruit, says Academician Cedomir Popov, of our own lack of numbers, weakness, disunity, and inability to solve ourselves our own vital national, social, economic, and political problems. And when we had the strength and power, when we had points of support in the world, we rejected such ultimatums, consciously accepting great sacrifices in order to defend national interests and dignity.

Where have they brought us now, our pride, dignity, decisiveness, and readiness for deprivation, sacrifice, and self-denial? It is difficult for the international community to understand a people and the country which have so many representatives who are rabid in condemning their own country and people is the message

from Paris, city of light, sent by Dr. Bosko Bojovic, a lecturer at the Sorbonne and a scientific associate of the Institute of Balkan Studies of the Serbian Academy of Sciences and Arts, disappointed that that is the case, because it compounds the already difficult position of Serbs who are emigres. But the demonization of Serbia, which gets such ardent participation from those who today once again would gladly sell out the "Serbian people," would organize "decimation of the princes," and would humbly carry Serbian heads to some new sultans of "newer empires," is not the way out of what is certainly one of the most difficult trials to which people on this soil have been exposed in their history. Still less can it be reckless arguments that it is hopeless, encouragement of defeatism, the spreading of fear and chaos which a man cannot avoid wherever he might be, which imprison his mind, paralyze his power of judgment, incapacitate him for any sensible activity. Attempts to win over the masses with mistrust, pessimism, gloomy suspicions, and unrest lead directly to disaster instead of being on the road to salvation, on the threshold of the new era which is coming.

Today, however, it is not easy at all to judge how close or how far we are from it. Especially in an atmosphere where everything is being done to spread the belief that the worse it is, the better it is.

Serbia

Milosevic Returns Law on POLITIKA to Assembly

LD0108153992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1441 GMT 1 Aug 92

[Text] Belgrade, 1 Aug (TANJUG)—Slobodan Milosevic, president of the Republic of Serbia, has failed to sign the decree proclaiming the law on the 'POLITIKA' public enterprise, and has sent it back to the People's Assembly of Serbia to be put once again to the vote.

The text of Milosevic's letter, sent to the president of the People's Assembly of Serbia today, reads:

"Regarding your letter 01 (TANJUG number), reference number 023-2292/92 of 30 July 1992, in which you forwarded the law on the 'POLITIKA' public enterprise for the purpose of passing a decree on its proclamation, may I inform you that the law contains certain provisions that are in contravention of the Constitution of the Republic of Serbia. In this respect, and on the basis of article 84, paragraph 1, of the Constitution, it is my assessment that the People's Assembly should vote on this law once again.

The arguments (enclosed) that were pointed out to me by the president of the Constitutional Court of the Republic of Serbia, indicate without doubt that this law is at variance with the Constitution of the Republic of Serbia.

SDA Leader Comments on Special Status of Sandzak

92BA1258C Belgrade BORBA in Serbo-Croatian 20 Jul 92 p 7

[Article by M. Baltic: "Sandzak Will Get Special Status"]

[Text] Novi Pazar—A few days ago, Sulejman Ugljanin and Alija Mahmutovic, leaders of the Democratic Action Party [SDA], returned to Sandzak after several months spent abroad. They have already visited Sjenica, Tutin, and Rozaji, and today Ugljanin delivered a speech in Novi Pazar. He said after the several months of diplomatic give-and-take in Europe, the people of Sandzak finally won the right to decide their own destiny. The Muslims in Sandzak will have a special status in Serbia, just like the Serbs in Croatia, the Hungarians in Vojvodina, and the Albanians in Kosmet. He advocated a secular, law-governed, and democratic state, with no admixture of fundamentalism and religious fanaticism. As for the Democratic Action Party, it is open to all citizens of Sandzak, that is, to both Muslims and Serbs. He appealed to the people for peace and patience, because only in that way can the goals they have set be achieved. He announced that an observer mission from the Conference on European Security and Cooperation would soon arrive in Sandzak.

The gathering was not attended by Rasim Ljajic, general secretary of the SDA.